

# The NATIONAL UNDERWRITER



CHISELED IN CHESTNUT BY THAT OLD CHESTNUT VENDOR, HYPHEN SMITH

THIS is the story of \*Hollister Hart  
Who signed the bond of his Cousin \*Art  
So Art could take on the job he had won  
By plenty of votes in an election.

Art found the pay the best he had made,  
But his living costs too went on the upgrade.  
And first thing he knew he needed cash badly,  
And now we relate, and relate rather sadly,  
That he dipped in the till and used some dough  
And brought to the Harts both heartaches and woe.

Art's art in hiding his secret borrowings  
Just greatly increased the family sorrowings.  
Art's wife felt disgraced, as you may have guessed,

While Hollister's family was dispossessed,  
For Hollister had to make up the shortage,  
And it was too big to be met with a mortgage.

They all of them suffered for quite a long time  
Though Art was the only one guilty of crime.  
Now all of this happened a few decades back  
When all bonds were signed by persons with jack.

A man here and there still does abscond  
But children don't suffer because of a bond  
Their papa had signed for some miserable wretch  
Who deserved to serve a considerable stretch.

Today bonds are signed by strong corporations  
Instead of good friends or trusting relations.

\*These names are purely fictitious and any resemblance to those of persons living or dead is purely coincidental.

## THE TRAVELERS INDEMNITY COMPANY

*Fidelity and Surety Bonds*

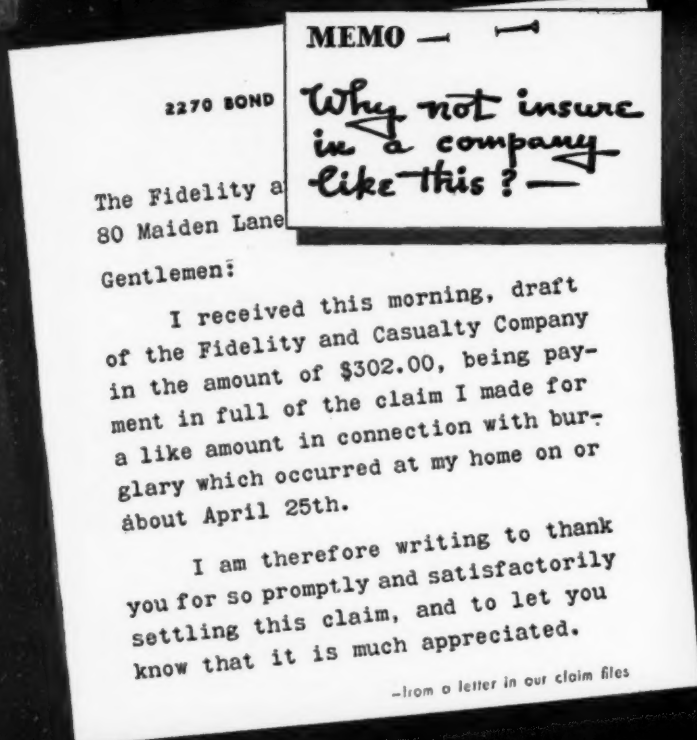
HARTFORD, CONNECTICUT

N. B. All liability for lyric stoutly denied by artist who confesses to the illustration.

THURSDAY, AUGUST 17, 1944

**This advertisement will appear in THE SATURDAY EVENING POST, TIME, NEWSWEEK, FORTUNE and PATHFINDER during August and September**

**F & C agents and brokers  
can use our tie-in material to  
sell the modern family theft  
policy. Send for a supply.**



**Ask the F. & C. agent about  
the new \$10. Residence Theft Policy.**

Covers household goods and personal property on or away from the premises.

## **THE FIDELITY and CASUALTY COMPANY**

OF NEW YORK

A Member Company of

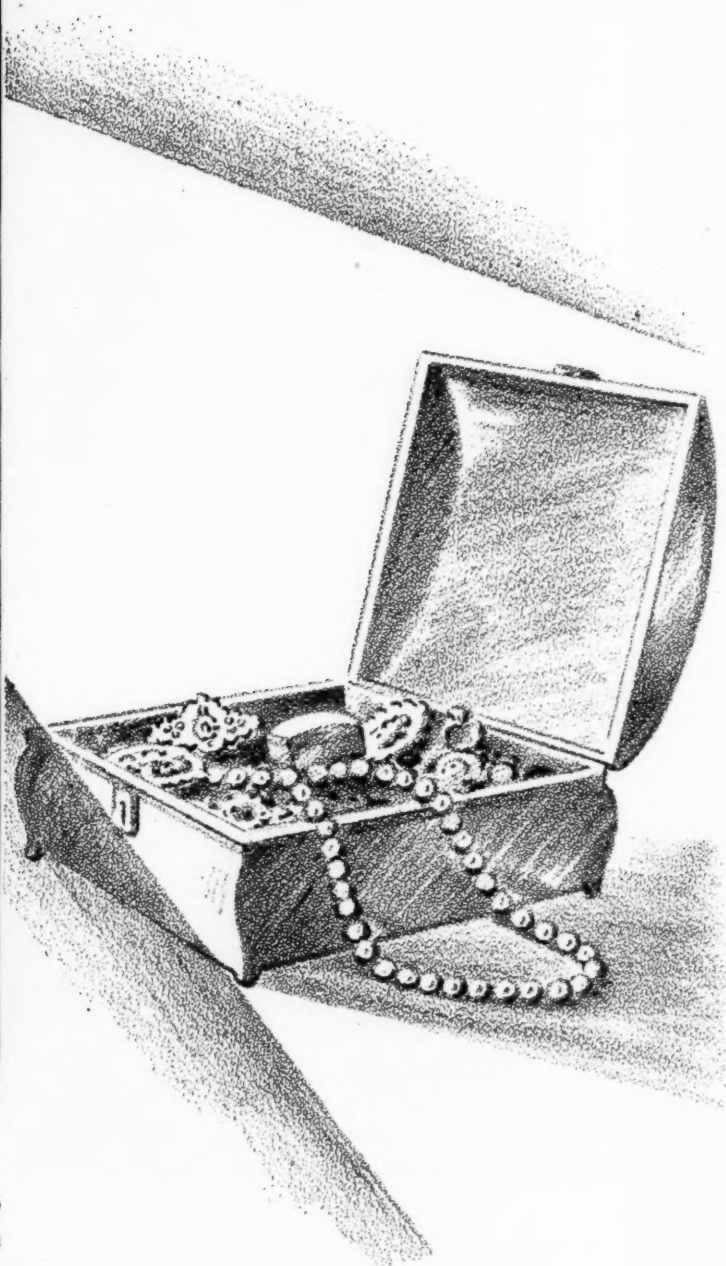
### **THE AMERICA FIRE INSURANCE AND INDEMNITY GROUP**

BERNARD M. CULVER  
President

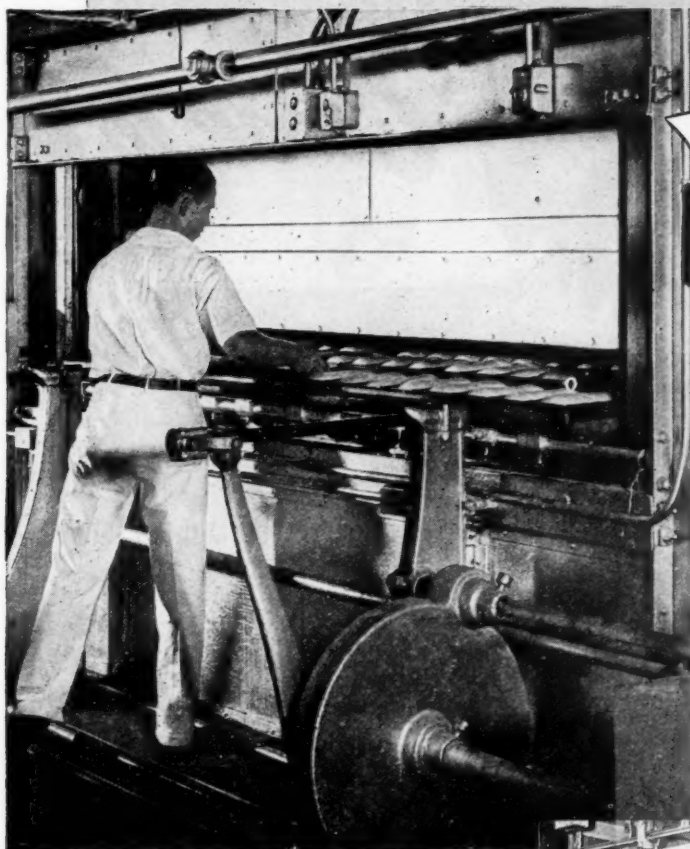
which includes the following companies

FRANK A. CHRISTENSEN  
Vice President

THE CONTINENTAL INSURANCE CO. • FIDELITY-PHENIX FIRE INSURANCE CO. • NIAGARA FIRE INSURANCE CO.  
MARYLAND INSURANCE CO. • AMERICAN EAGLE FIRE INSURANCE CO. • FIRST AMERICAN FIRE INSURANCE CO.



# BUILDING AMERICA!



## Bakeries

In 1900 only 5% of the bread consumed in the U. S. was baked outside of the home. Today approximately 85% of it comes from America's modern bakeries.

The country's 30,000 bakeries employ over 250,000 people, and have an annual payroll of a quarter of a billion dollars—highest among all the food industries. In value of products used yearly (an estimated two billion dollars) American bakeries are second only to wholesale meat packing in the food industry field.

The expression, "Clean as a modern bakery," is a common figure of speech. Today the American baking industry represents the latest developments in machinery, production and distribution methods and sanitary handling.

## PROTECTING AMERICA

Through the ages, bread has been the basic food of soldiers—and under the present vitamin and mineral enrichment program, "enriched" flour and bread are playing an important part, not only on the fighting front but also by providing an ideal means for getting required nutritive value into the diet of civilians at home.

Insurance Protection, too, is "enriched" by activities which not only minimize the danger of damage to property by fire or other hazards but also safeguard human life by encouraging the use of all precautionary measures and equipment known to modern safety engineering.

Inquiries are invited regarding the extensive underwriting and service facilities of the Royal-Liverpool Group.



Westinghouse

Bread, the ideal companion to all foods, offers a war-time means of extending ration points, adding extra nutrition and cutting food costs.

## ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA





## ***FAR FROM HOME.. Close to Death***

That's where Johnny is today—your brother—son—sweetheart—the little boy from down the block or around the corner. Now he's a war-toughened veteran of several campaigns—in Italy, Normandy or on a Pacific isle. But, veteran that he is, it is only human for him to be thinking of his home so far away and realizing how close to death he's been and may yet be.

Yet Johnny may be closer to home and further from death than he thinks, thanks to the



American Red Cross and the wonderful work it's doing—among the most important, supervising the collection and processing of the blood plasma that may save his life. It only takes us a few minutes to give our blood but it may mean years of life to Johnny—years to fight, to conquer and eventually to live at home. Think of that and make an appointment with your nearest blood donor center. You may be giving years to your Johnny—or the others.

*This is the sixth of a series of advertisements dedicated to the American Red Cross by*

**THE HOME INSURANCE COMPANY, NEW YORK**

**FIRE • AUTOMOBILE • MARINE**

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## McCarran Predicts Bailey Bill Passage in Senate

**Judiciary Chairman  
Charges O'Mahoney  
With Filibustering Tactics**

RENO, NEV.—Senator Pat McCarran told Nevada insurance agents here Aug. 11 that he would continue to attempt to have placed before the Senate for a vote the Walter (House) bill and the Bailey (Senate) bill which provide that the federal anti-trust laws shall not apply to insurance.

McCarran, chairman of the Senate judiciary committee and chairman of the sub-committee considering the Bailey bill, declared that there is every indication of "filibuster" tactics in the judiciary committee. He predicted that unless insurance is removed from the anti-trust laws, positive federal regulation of insurance will be put in operation.

Expressing his own views, McCarran said that each state can and does deal with the insurance business very capably under its own laws. He added that this question affected the states themselves, in view of the fact that each state has its own insurance regulatory body and that the insurance business is a source of revenue to the states.

### Believes Bill Will Pass

"I make the conjecture, without ever having taken a poll of the Senate, that if the bill gets to the Senate it will pass," McCarran said. He said he believes in states rights; in the right of the sovereign state to govern and control the things that impinge upon the rights and liberties of the respective peoples of the respective states.

The meeting here was called by the Nevada State Association of Insurance Agents after Henry C. Schmidt, state controller and also insurance commissioner, had sent a notice to agents and insurance companies citing the Supreme Court decisions in the S.E.U.A. and Polish Alliance cases, which he declared had caused confusion as to the future of the insurance business.

Mr. Schmidt, in his letter, said some insurers seem to have come to the conclusion that state regulation has been dissolved by the decisions, and declared that such is not the case so far as Nevada is concerned. He declared there is nothing in the decision that dissolves regulation by states, and that all statutes of this state pertaining to insurance are in full force and effect, plus departmental rulings.

"This department," says his letter, "insists on a strict compliance with such statutes and rulings. All policy forms and rates must be filed in this office, and have the approval of the commissioner."

In speaking before the assemblage here Mr. Schmidt said that it had come to his knowledge, in at least one case, that a policy issued in one company had been canceled, at short rate, and placed with another company at a very much reduced rate, and that his office is now engaged in following this case, and that unless the company having written the policy can justify its action, prosecution will follow.

"This office will continue to permit only solvent companies to do business

(CONTINUED ON PAGE 10)

## Broaden Explosion and Riot Coverages

**Vandalism Form Revised  
and Rates Reduced,  
Effective Sept. 1**

NEW YORK—The Explosion Conference has revised the explosion and riot and civil commotion policies to provide the same coverage as the extended coverage endorsement coming into use in most territories and also reduced vandalism and malicious mischief rates on virtually all classes. The changes are effective Sept. 1 and the new provisions will be effected by standard endorsements shown in the new manual pages.

It is understood that the new vandalism rates were intended to go into effect in June, but were held up pending a study of the effects of the South-eastern Underwriters Association decision.

### Wording of New Clause

The new explosion clause of both policies, identical with that of the 1944 extended coverage endorsement, covers explosion of steam boilers away from the insured premises. It reads: "against all direct loss or damage by explosion (excluding explosion originating within steamboilers, steam pipes, steam turbines, steam engines, flywheels, located in the building(s) insured or in the building(s) containing the property insured)."

The old clause, which has been criticized for many years, excluded "explosion originating within steam boilers, pipes, flywheels, engines and machinery connected therewith and operated thereby." The war exclusion clause has also been made identical with that in the latest extended coverage endorsement, which in turn is based upon that of the 1943 New York standard fire policy and is similar to the insuring clause of the War Damage Corporation policy.

### New Vandalism Endorsement

The new vandalism rates are applicable to new and renewal business as of Sept. 1 and existing policies may be cancelled prorata and rewritten for at least an equal term and amount in the same company. The vandalism endorsement has been revised to incorporate the new war exclusion clause and a 30 day vacancy limit has been added. A similar limit is now in vandalism endorsements used with extended coverage in most states. A new rule provides that the permissible period of vacancy may be extended by charging the rates for vacant property for the period beyond 30 days.

Another new vandalism rule prohibits covering consequential damage from vandalism by endorsement. The vandalism forms used with the extended coverage endorsement in most states exclude loss from change of temperature or interruption of power or processes because of malicious damage, even though the fire policy and extended coverage endorsement otherwise cover the consequential damage hazard, and most rule books prohibit covering this risk by endorsement. In a few cases, this prohibition had been evaded by writing vandalism insurance in connection with riot and civil commotion insurance and adding a special endorsement. The new rule is intended to stop this practice.

While there has been considerable discussion of a revision in the riot and civil commotion rate basis, nothing was done about this at this time and some observers do not expect any such development, at least in the near future. Because the riot policy covers fire caused

## Government and Lloyds Hardest Hit in Big N. Y. Fires

NEW YORK—Four major fires struck the New York metropolitan area last week end, causing six deaths, injuring more than 150 persons and causing damage estimated at close to \$4 million. However, the insured loss will run nowhere near that figure, as the biggest fire, which caused three of the deaths was at a government-owned pier in Hoboken, N. J., on which no insurance was carried. The cargo involved was also owned by the government and was uninsured. So far as could be learned there was no insurance loss whatever. Ships that were loading were towed away before any appreciable damage had been done to them.

The heaviest insurance loss appears to be on the Palisades Amusement Park across the Hudson from upper New York City. This fire accounted for three deaths and about 150 of the injured. Operators of the park estimated the loss at about \$1 million. Fire coverage was carried in London Lloyds in four policies totaling \$450,000. While the effect is the same from the insured's standpoint as a single policy of \$450,000, there is an initial policy of \$50,000, a second of \$250,000 in excess of \$50,000; a third of \$50,000 excess of \$300,000 and a fourth of \$100,000 excess of \$350,000. This is not an uncommon Lloyds arrangement. It is estimated that even if a total loss is payable on the Palisades fire no Lloyds underwriter would pay more than \$300, or \$400, as his share.

The loss at Luna Park in Coney Island is estimated by the insurers at about \$200,000. Earlier newspaper figures ran as high as \$500,000. Insurance was carried in 25 stock companies, the total being \$391,700. In addition there is \$51,000 use and occupancy. The insurance was issued to City Bank Farmers Trust Company and Prudence Bonds. The property was being sold to the operators but the deal had not yet been fully consummated. There may be a substantial loss to the insured because of having to rebuild with construction more modern than that which burned. The fire policy does not cover this added expense.

The fourth fire burned up a block of buildings and part of the boardwalk at the resort town of Wildwood on the New Jersey coast. Damage was estimated at \$250,000.

(CONTINUED ON PAGE 6)

## July Fire Loss at Highest Point Since 1932

NEW YORK—July fire losses as estimated by the National Board, were \$32,706,000, the highest for any July since 1932, when they were \$32,982,000. The July figure is 31% higher than July, 1943, and 7% higher than June of this year. Losses in the 12-month period ended July 31 were estimated at \$411,463,000 as against \$338,887,000 for the 12 months ended July 1943.

Comparative fire loss totals follow:

	1942	1943	1944
Jan.	\$ 35,565,000	\$ 27,733,000	\$ 38,572,000
Feb.	30,819,000	33,175,000	38,280,000
Mar.	30,505,000	39,214,000	39,084,000
Apr.	27,960,000	34,241,000	34,746,000
May	23,233,000	29,297,000	32,815,000
June	22,410,000	26,854,000	30,555,000
July	21,000,000	25,016,000	32,706,000
Tot.	\$191,492,000	\$215,530,000	\$246,758,000

by riot, where the fire policy excludes this hazard, the assured's fire rate is used in determining the riot rate. Since

(CONTINUED ON PAGE 9)

## Fire Carriers Tell Why Long-Range Plans Must Wait

**Memo to N.A.I.C. Urges  
United Support On  
Pending Bill**

Vigorously reiterating the stock fire and casualty position that the Bailey-Walter legislation should be passed as speedily as possible without amendment and regardless of whatever other legislation may later be needed to supplement it, the stock fire companies' memorandum submitted to the federal legislation subcommittee of the National Association of Insurance Commissioners goes into considerable detail as to why it is not practicable to draft a complete long range program for insurance regulation at this stage.

In this connection, incidentally, the memorandum takes issue with the view that the Bailey-Walter bill is a mere stop-gap, saying that it is rather the minimum emergency legislation—not temporary legislation—since the fire companies desire the effect of the bill to be permanent although Congress would of course have the power to change or modify its action later should it see fit.

### Chicago Sessions Under Way

The subcommittee of the commissioners association on federal legislation went into session in Chicago Wednesday morning in an effort to arrive at a statement of policy that can be recommended to the executive committee at its meeting at St. Louis Aug. 28-29. The commissioners went into a huddle and decided to hold forth in executive session Wednesday to study the various briefs and statements that had been submitted. On Thursday an open session is being held with various spokesmen being invited to present their views. As of Wednesday morning briefs had been submitted by National Board of Fire Underwriters, Association of Casualty & Surety Executives, American Mutual Alliance, factory mutual companies, National Association of Mutual Insurance Agents, American Reciprocal Insurance Association, Henry Moser, Chicago attorney, Inland Marine Underwriters Association, American Association of Insurance General Agents, Frank G. Dickinson, University of Illinois, president American Association of University Teachers of Insurance.

All the committee members were present: Graves of Arkansas, chairman; Harrington, Massachusetts; Dineen, New York; Johnson, Minnesota; McCormack, Tennessee; Scheuffer, Missouri.

Other commissioners on hand were Parkinson, Illinois; Allyn, Connecticut; Viehmann, Indiana; Read, Oklahoma; T. J. Cullen, New York deputy.

Only a handful of camp followers was present Wednesday. The stock fire insurance group included E. L. Williams, president Insurance Executives Association; C. S. Kremer, president Hartford Fire, and Esmond Ewing, vice-president Travelers Fire.

Urging the various insurance departments to use every effort to obtain the prompt passage of the bill, since its status, from the essential time stand-

(CONTINUED ON PAGE 12)

## Hail Insurers Are On Top of Precipice Today

**Volume Largest in History—Next Three Weeks Will Tell the Story**

The hail insurance business today is resting nervously on the top of a precipice. The volume of premiums this year exceeds that of any previous year in hail writing history. The premium income this year will easily reach \$25 million which compares with a volume of something over \$20 million in 1943 which in turn was slightly in excess of the previous high year of 1919.

Premiums could have been considerably more than they were had the companies not imposed underwriting restrictions of various kinds in order to try to get as conservative a spread of liability as possible.

Until Aug. 1, the loss experience was such that the hail business was decidedly on the profit side but since then there have been storms throughout Montana, Canada from Ontario west, the Dakotas and Nebraska that make the outlook much less favorable. It is generally assumed that while these storms will prove exceedingly costly they were not disastrous. The next three weeks will tell the story. By that time the harvests will have been completed in Canada and the northwest and most of the exposure will be gone. The hail insurance specialists are anxiously watching the weather reports day by day as they are right at the point where they can either turn in a handsome profit to their companies or face a winter of sorrowful post-mortems.

Details of the storms of the last week are slow in reaching headquarters and the hail departments have been so busy trying to make arrangements for adjusters to handle the losses that they have not had an opportunity to begin to tot up the total losses. Montana seems to have been the most heavily hit. According to newspaper reports from Glendive, Mont., the loss to wheat and other crops in eastern Montana has been about 4 million bushels. Montana had the best wheat crop in its history and the harvest season was right at hand. Loss was particularly severe in the neighborhood of Great Falls. Sections of the state that had never before suffered hail damage were hit in this storm. In those sections only about 50% of the farmers were insured but most of those that did have cover took the maximum that they could get which was about \$20 an acre. Many of the losses are reported as total.

The experience this year was very good in Texas, Oklahoma, Kansas, Arizona, New Mexico and Colorado. Experience in Nebraska was unfavorable. Early in the season those hail insurers that operate in California suffered heavy loss in the storm that struck the fruit growing region in the general neighborhood of Sacramento. It is estimated that the loss in California will be 43% of the total liability.

The hail department offices throughout this season presented a scene of feverish activity and congestion. For instance at the Great American office in Chicago girls are working at desks that have been placed in the hallways. At the Home's hail department in Chicago space has been at such a premium that six girls have been working at desks in the private office of E. R. Smith, central hail department manager, and his office is simply one of conventional dimensions.

It is estimated that the hail insurance loss ratio during the period 1913-43 in-

## Navy Claim Bill in Senate; Army Procedure Outlined

WASHINGTON—To provide for settlement of claims for damages for personal injury or death or for damage to or loss or destruction of property caused by service personnel or civilian employees or otherwise incident to noncombat activities of the naval establishment, Senator Walsh, Massachusetts, has introduced a bill.

It provides that such claims may be settled by the Navy Department up to \$1,000 in any one case, arising within a year prior to passage of the bill. Claims in excess of that amount may be reported to Congress. Claims for loss or destruction by criminal act, of registered or insured mail while in possession of naval authorities are included, also claims based on occupancy of premises by the government and claims for damage, etc., to private property caused by naval personnel outside the scope of their duties.

This bill seems to parallel the federal law that became effective July 3, 1943, covering the administrative payment of claims arising from acts of military personnel or civilian employees of the War Department or of the army. The War Department just recently issued army regulation No. 25-25 for the purpose of carrying out the provisions of that law and those regulations are of considerable interest to the insurance companies. The War Department is authorized to consider, ascertain, adjust, determine, settle, and pay an amount not in excess of \$500 or in time of war not in excess of \$1,000 where such amount is accepted by the claimant in full satisfaction and final settlement of any claim against the United States arising on or after May 27, 1941. Except for damage covered by insurance, the Secretary of War may report claims in excess of those figures to Congress for its consideration.

### Claims Coming Under Regulations

The claims within the scope of the army regulations consist of those for damage to or loss of property caused by acts of military personnel or civilian employees of the War Department or of the army while acting within the scope of their employment; claims for medical, hospital and burial expenses on account of personal injury or death; for damage or loss of registered or insured mail, even though resulting from criminal acts, while in the possession of the military authorities; damage to or loss of personal property bailed to the government; damage to real property incident to the use and occupancy thereof under a lease; for damage to or loss of property incident to non-combat activities of the War Department or army even though not caused by acts or omissions of military personnel or civilian employees and medical, hospital and burial expenses.

On claims filed after July 3, 1943, settlement will be made solely with the insured rather than with the insurer or with both the insured and insurer, in cases of damage loss, destruction, injury or death covered by insurance. No inquiry will be made into nor determination made of the relative interests as between insured and insurer. The entire claim including any portion insured against will be filed by or on behalf of the insured and payment of the entire amount will be made in the name of the insured.

Claims by subrogees in their own rights are not within the scope of these regulations and will not be considered.

As to claims for \$1,000 or less filed on or after July 3, whether or not involving

negligence the procedure of proof by the War Department is:

If only the insurer files the claim it will be disapproved and the insurer notified that the insured is the only proper claimant.

If only the insured files a claim the claim will be approved in the name of the claimant for the total amount of the allowable damage, regardless of any insurance collected or collectible, and the insurer need not be notified. If the claim is for only the uninsured portion of the loss, the claimant should first be notified of his right to file an amended claim in the full amount.

If both the insurer and the insured file claims the claim of the former will be disapproved and the insurer will be notified that the claim of the insured will be approved if the original or amended claim is filed in such amount.

### Claims During Transition Period

Then there is set up the procedure for handling claims presented during the transition period prior to July 3, 1943.

As to claims in excess of \$1,000 regardless of the amount of insurance involved payments may be made administratively in the field provided the insured agrees to accept \$1,000 or less in full satisfaction and final settlement. All other claims in excess of \$1,000 whether filed prior to or on or after July 3, 1943, or whether or not involving negligence will be forwarded by the army unit involved to the office of the judge advocate general. Where a part of the damage is covered by insurance and the uninsured portion is \$1,000 or less the claim will be paid administratively to the insured in the amount of \$1,000.

Where no portion of the damage is covered by insurance the entire claim will be reported to Congress for payment. Where part of the damage is covered by insurance and the uninsured portion exceeds \$1,000 the claim will be reported to Congress for payment to the insured but only to the extent of the uninsured portion.

The adjusting organizations have gotten out instructions incident to these army regulations. It is emphasized that the adjuster be especially careful in developing all pertinent facts attending the accident or incident in which army personnel or equipment is involved. Every known circumstance should be substantiated preferably by at least one witness in addition to statement by the insured. At the time proof is executed by and accepted from the assured, War Department claim for damage form AR 25-20 must be prepared in triplicate. In the space captioned "claimant" the address of the assured should be stated as that of the insurer and the latter's policy number should also be shown. When more than one company is interested the name and address of the one carrying the largest line should be used. While the government check will be made payable to the insured it is intended that it be transmitted to the insurer.

Separate spaces have been provided for property damage and personal injury under the caption "amount of claim." The amount to be shown must represent the entire claim including any deductible or any other uninsured portion of the loss. If the insured's personal injury claim is not ascertainable at the time, it is possible to file initially for the property damage and amend the claim later to include items of personal injury.

### Minn. Hardware Change Ordered

MINNEAPOLIS—At a meeting of directors of Hardware Mutual of Minnesota and Hardware Indemnity, a change in management was ordered, involving, it is understood, President R. J. Grant and Secretary D. F. Rahlle. A statement explaining the situation was being prepared, it was stated.

### RFC Insurance Unit Moves

WASHINGTON—The RFC insurance division headed by Hugh Stephenson moves this week from the Commonwealth building here to a new RFC annex building near the Capitol.

## Lifting of Parts Ban Seen Aiding Auto Claim Work

**WPB Order Should Also Cut Incentive for Stealing and Stripping**

NEW YORK—The war production board's order easing the restrictions on the manufacture of replacement parts for automobiles and trucks will help considerably in the settlement of insurance losses involving damaged cars, according to automobile claims executives. Parts shortages, particularly in the passenger car category, had been growing increasingly acute and were responsible for a variety of claim complications.

For one thing it will tend to cut down arguments between insured and the companies. The parts shortages has in many cases caused claimants to blame companies for delays, shortages, or high prices. Frequently repair men have charged excessive prices for parts, telling the customer they were bought in the black market when actually the parts were second-hand, bought from a junk yard.

If standard new parts can be obtained from legitimate sources there should be less excuse for gouging the customer and padding the bill. Another reason why loss costs should come down is that frequently a repair man has to do considerable scouting around to get the necessary parts, whether from a junk man or some other source, and all this time has to be charged for under one guise or another.

### Helps Theft Situation

From a theft insurance standpoint the WPB liberalization is extremely welcome, for the availability of new parts will lessen the incentive for the stealing and stripping of cars so as to sell the parts at high prices. The theft situation has become definitely worse in the last year. One factor has been the lack of any restrictions whatever on pleasure driving so that thieves could drive stolen cars from place to place without fear of being stopped by an OPA checker.

Another reason why thefts are up is the removal some months ago of the inspection requirement for motors having only the "A" book. This has opened up the market for stolen tires which was practically killed off for a time by the tire inspection requirement. The government keeps no cross-index of tire serial numbers and owners. Hence, even if a stolen tire is found, there is no way of tracing its ownership by the serial number.

## George Bill Triumph Good Omen for Bailey Bill

Passage of the George bill by the Senate in the field of unemployment compensation has caused those that have at heart the Bailey bill exempting insurance from the anti-trust laws to feel elation. The states rights issue was prominently involved here and it was decidedly a triumph for the states rights advocates. It is likely that Senator George will take a prominent part in the Senate debate on the Bailey bill and insurance people take comfort in the fact that he has so conspicuously aligned himself with the states rights group.

The George bill was passed after the Murray-Kilgore measure setting up federal standards of unemployment compensation was rejected by a vote of 49 to 25.

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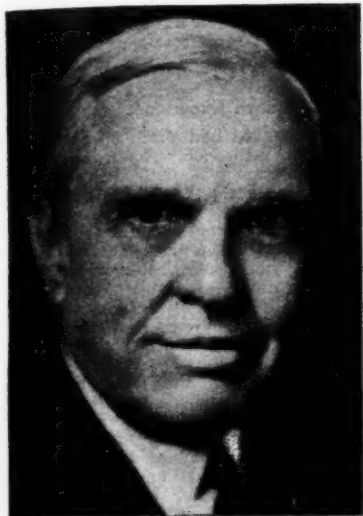
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## E. W. West Dies; with Glens Falls for 70 Years

Egbert W. West, 81, chairman of the Glens Falls companies, died after an illness of more than a year.

Seventy years ago, at the age of 11, he was hired by Glens Falls as office boy and errand runner, one of the company's eight employees. He worked from 6 a.m. until school time, and after school in the afternoon. He was soon



EGBERT W. WEST

promoted to bookkeeper and then was advanced to field man.

Central and Northeastern New York was his first territory, and for days on end he drove a horse and buggy, visiting agents and inspecting farm risks. His territory was enlarged to include Pennsylvania, New Jersey, Maryland and Delaware. He continued as a special agent for 20 years and in 1904, was called into the home office as an assistant secretary.

In 1907 he became a director of the company and was named secretary in 1909, vice-president in 1915 and president in 1920.

Mr. West made many material contributions to his own company and to the insurance business in general. He was particularly interested in the welfare of employees and originated several plans whereby they would share in the profits of the company through bonus plans and stock purchases. He was also responsible for a liberal pension system.

Under his leadership Glens Falls expanded into a group of companies. Commerce, organized in 1859, was purchased in 1923 and transferred from Albany to Glens Falls, and in 1927 Glens Falls Indemnity was formed to establish complete facilities for local agents.

### Active in Forming Pools

His ability to form pools constituted a great contribution to the business. He realized that membership in these organizations was to be the salvation of the medium-sized company, and was a pioneer in getting together a number of important and lasting associations of companies. In the early days of the first world war, when the big German and Russian reinsuring companies withdrew from the American market, he was active in forming reinsurance pools. Among the important organizations he helped create are the Reinsurance Clearing House and American Reinsurance Exchange, and he was an important figure in the formation of the Marine Office of America, Cotton Fire & Marine Underwriters, American Foreign Insurance Association and General Cover Underwriters Association.

In 1928, on reaching retirement age, he gave up the presidency and was made chairman, a position he held until

## Hold Parley on Financed Auto and Plane Business

NEW YORK—Conferences with officials of the National Automobile Underwriters Association, American Bankers Association and Aero Insurance Underwriters on the problems of financed automobile business and airplane financing held the attention of the sub-committee on financed accounts of the National Association of Insurance Agents here. The committee was represented by Chairman H. H. Hendren, Sacramento; Alfred I. Dreifus, Detroit, and Paul Woodcome, Fitchburg, Mass. Some time ago President Fred A. Moreton suggested the advisability of a sub-committee giving detailed study, especially to insurance on financed automobile coverage.

"For years," Mr. Hendren points out, "insurance agents have wanted their associations to do something about insurance on financed commodities, especially automobiles. The opportunity is now here for them to participate in this business. It will require work, hard work, on their part, but the plan on which the committee is working can be successful under intelligent, industrious application."

In the conferences, Mr. Hendren's group became more convinced than ever of the importance of developing a satisfactory way to handle coverage on financed commodities. Regarding automobile writings, the committee feels that unless a workable plan is developed, agents may lose not only fire, theft and collision business, but property and liability damage as well.

The N.A.U.A. was represented by President George H. Duxbury and Manager J. Ross Moore; American Bankers Association by Deputy Manager Walter B. French, and John Paddi, Manufacturers Trust Company; W. C. Crittenden, and Byron Harrison, Bank of Manhattan; Aero Insurance Underwriters by Production Manager F. N. Davey. Judge B. Miller, National association secretary, attended all the meetings.

### Reed with Miller-Studebaker

A. C. Reed has been named special agent for the Miller-Studebaker general agency at Topeka. Mr. Reed, a former local agent and adjuster with the Rain & Hail Insurance Bureau, succeeds William Studebaker, who recently went into the navy as a lieutenant (j.g.) and is now at Hollywood, Fla., in training.

his death. Mr. West continued a very active part in the affairs of the Glens Falls group until about a year ago.

Born in Glens Falls in 1863, Mr. West not only had an extraordinarily long association with the one and only company for which he ever worked, but contributed greatly to many of the varied activities of his community. He was for many years a director of the Glens Falls Hospital, the Glens Falls Home for Aged Women and Glens Falls Chamber of Commerce. He was for a time a member of the board of water commissioners. He participated in forming the Glens Falls Community Chest, the Glens Falls Country Club and the building of the Queensbury Hotel and, more recently, the organization of the Glens Falls Foundation.

Always a staunch Republican, Mr. West was at one time a member of the policy forming board of the Republican national executive committee.

Surviving are his wife, the former Julia A. Parks; four children, Mrs. Ruth West Derby, Mrs. Dorothy W. Bowden, both of Glens Falls; Mrs. Harriet W. Dyer of Windermere, Florida, and Hewitt S. West of Bronxville, New York; a sister, Mrs. Eva Cowles of Glens Falls; ten grandchildren and four great-grandchildren. Mr. West's death is the first that has occurred in this family group of four generations.

## AFL Counsel Answers Williams on Labor Issue

Herbert S. Thatcher, American Federation of Labor Counsel, has submitted to the Senate judiciary committee an answer to a memorandum of E. L. Williams, president Insurance Executives Association, the latter contending that passage of the Bailey bill to exempt insurance from the anti-trust laws would not remove insurance employees from the protection of federal labor laws.

Mr. Thatcher states that Mr. Williams' position is that the Bailey bill does not depend upon a theory or holding that the insurance business is not trade or commerce; the insurance business might very well be held to be trade or commerce and the Bailey bill would nevertheless remove insurance from the operation of the anti-trust laws. If that is true, Mr. Thatcher contends, the Bailey bill constitutes an outright exemption of the insurance business from the anti-trust laws. AFL, he said is not prepared to admit that there is need for such exemption and would want to be shown very compelling reasons why insurance "should be permitted to function free from the restraints of the anti-trust laws regardless of the effect its practices may have in restraining trade or commerce to the detriment of the consuming public."

However Thatcher argues that the Bailey bill does depend upon for the accomplishment of its purpose upon a holding that the insurance business is not trade or commerce. He makes the rather surprising statement that the testimony and arguments have all been confined to the question of whether insurance is or is not commerce either as a matter of fact or under the Supreme Court decision and none of the testimony was devoted to proving that the insurance business although constituting trade or commerce nevertheless was so peculiarly situated or operated under such special conditions as to require that it be exempt from the anti-trust laws.

Additional organized labor opposition to the Bailey bill has appeared from the Confederated Unions of America. Don Cameron, their secretary here, has asked the Senate judiciary committee for opportunity to appear against the bill if hearings are reopened.

"We are opposed to the bill for the same reasons the AFL and CIO are," he said. "Our interpretation is that provisions of the national labor relations act and the wage and hour act for the benefit and protection of labor would be tossed out of the window if the Bailey bill becomes law."

Cameron said Confederated includes International Union of Life Insurance Agents.

This or the other groups affiliated with Confederated, he said, have collective bargaining contracts with Northwestern Mutual Life, Prudential, John Hancock and other insurers. In the case of Northwestern, he said, an agreement applies to the office, sales, and clerical help.

## SWPC Prepares Special Insurance Form for Lessees

WASHINGTON—Controller Nachtrieb of Smaller War Plants Corporation, who has been given general supervision over SWPC insurance operations, says every effort will be made to simplify the matter and hold administrative work to a minimum. SWPC recently decided to insure its properties in leased plants under individual policies, rather than under the blanket policy, or acting as self-insurer.

Nachtrieb says a standard rider for use on policies to cover SWPC proper-

## Washington Agents Hold Convention

### Elect Lee President; Take Up Many Matters in Seattle

#### NEW OFFICERS ELECTED

President—Virgil R. Lee, Chehalis. Chairman executive committee—Wm. H. Harmer, Seattle. Regional vice-presidents—H. E. Carr, Bellingham, west; Gerwyn A. Jones, Walla Walla, east. Secretary-treasurer—Willard H. Scott, Seattle. Executive secretary—Irwin Mesher, Seattle. State national director—A. W. White, Seattle.

SEATTLE—The annual meeting here of the Washington Association of Insurance Agents was attended by approximately 150.

Five expiring terms on the executive committee were filled each for three years as follows: C. J. Sorensen of Bellingham, E. M. Leonard of Spokane, H. H. Van Brocklin of Port Angeles; Arthur H. Bassett of Tacoma and R. E. Reynolds of Walla Walla. There are 10 other members of the executive committee held over from previous years, one-third of the personnel of the committee expiring each year.

There was an executive committee dinner session Tuesday evening, at which Vice-president W. Ray Thomas of the National association discussed problems confronting the agency system. Preliminary reports of committees were reviewed.

#### Responses Are Made

The general convention session got under way Wednesday morning with a forenoon executive session. Willard H. Scott, president of the host board, the King County Insurance Association, welcomed the delegates, which numbered 123 local agents from all parts of the

(CONTINUED ON PAGE 9)

ties is in process of preparation, which will be practically a complete policy form. This will be attached to new SWPC policies, it was stated. It is understood it will be substantially similar to the policy or rider used by Defense Plant Corporation, RFC subsidiary, but will have two additional clauses.

Hold-over policies covering SWPC properties will be allowed to stand, Nachtrieb says, but when they expire the new rider will be required.

The company writing the business must be rated B or better by Best, and then there are other SWPC conditions. SWPC lessees are advised that coverage is required for the full amount of the property they lease.

After the policy is written, it will be turned over to DPC for servicing. The RFC-DPC insurance staff under Hugh Stephenson is experienced in this line, having handled SWPC insurance matters in the past. It will check on coverage, rates and the meeting of SWPC requirements as set forth by Director Abbott Smith in a recent letter to Philip Baldwin, secretary National Association of Mutual Insurance Agents.

SWPC officials say they hope it will not be necessary to organize a new insurance set-up in that corporation.

### Danforth's Son Wounded

Ralph S. Danforth, assistant secretary Millers National and Illinois Fire, has received word from the War department that his son, Capt. James A. Danforth, was wounded in action in France. Capt. Danforth was with Western Adjustment when he went into the army in 1941. Late reports state that he is recovering satisfactorily.

If you're needed and can qualify—

## SERVE YOUR COUNTRY IN THE U.S. CROP CORPS!



There is a vital need for *extra* help on farms and in food-processing plants in many localities. To meet this need, to help save the greatest crops in history, your Government is organizing an official U. S. Crop Corps.

Watch for local recruiting in your community. Be ready to volunteer for as much time as you can give. This is important work, patriotic work, *war-winning* work. (And, if you qualify for service in the Corps, you'll be paid prevailing rates.)

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*Progressive in Outlook—Conservative in Management*

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INLAND MARINE

### Government and Lloyds Hard Hit in Fires

(CONTINUED FROM PAGE 1)

The insurance loss on the Wildwood fire will probably run less than \$100,000 as most of the Boardwalk properties are considerably underinsured on account of the high rate on this type of risk. The largest building involved, damage to the extent of \$100,000, was only insured for \$46,000. Many concessions valued from \$2,500 to \$3,000 carried only \$500 to \$1,000 insurance.

Hoboken police announced that the origin of the pier fire was accidental and was probably due to sparks from a truck igniting nitrocellulose compound which leaked from a drum that had been hit by the truck's projecting load. A possibility of loss to insurance companies arises if the lessee shipping companies operating the piers are held to be responsible for the fire. Some of the lessees carried a type of fire insurance to protect them against this contingency. It would apply only to the piers, not the cargoes. The cargoes, mainly lend-lease, accounted for the bulk of the values destroyed. It is possible that the Hoboken loss may run as much as \$4 million.

The excessive heat and dryness, combined with capacity crowds out to escape the heat, created conditions which made it easy for fire to start and spread at Palisades and Luna Park.

### Tachau Interests Launch Kentucky Fire & Marine

LOUISVILLE—The Tachau interests of Louisville, owners of Louisville Fire & Marine and E. S. Tachau & Sons agency, have incorporated a new company, Kentucky Fire & Marine, with \$50,000 capital, to be materially enlarged after it gets into operation. E. S. Tachau is chairman; Charles G. Tachau, president; and Lewis Tachau, secretary-treasurer. It will operate as a running mate of Louisville Fire & Marine.

### Tells Indiana Pond Plans

Jesse E. Miller, most loyal gander of Indiana Blue Goose, at a meeting of officers Monday announced appointment of committee chairmen and told plans for the year's activities. An initiation meeting is planned for South Bend in September and a similar meeting at Indianapolis in November. A Christmas party may be held.

Delegates and alternates to the grand nest annual meeting are Mr. Miller, D. G. Kaga, Secured F. & M., supervisor; J. R. Hull, American States Fire, and G. R. Pritchett, American of Newark.

### WPB Order Permits More Fire Protective Equipment

WASHINGTON — Fire protective, signal and alarm equipment limitation orders of the War Production Board are affected by the new WPB "spot authorization" procedure for limited resumption of civilian goods. WPB field offices may now authorize civilian production of all items of this equipment by individual manufacturers when labor, facilities and materials are available and no longer needed for war or essential civilian production.

On receiving an application, WPB will determine whether facilities can be devoted to the requested production and the War Manpower Commission will determine whether manpower is available, either directly or through a local production urgency committee in certain areas. High preference ratings for materials can be obtained only from Washington. The Smaller War Plants Corporation will assist small manufacturers.

J. A. Steltenkamp, Covington, Ky., agent, has been named on the Kenton county civil service commission.

Frank J. Viehmann, Jr., son of the Indiana commissioner, has received an appointment to Annapolis.

### Stout Is Appointed D. of C. Deputy

WASHINGTON—M. O. Stout has been formally appointed as deputy superintendent of the District of Columbia department in charge of supervision of fire rating, compensation and compulsory motor vehicle insurance. Lawrence Cook has been named assistant to Mr. Stout.

Insurance commissioners and insurance people elsewhere are understood to be interested in the working out of the new District of Columbia fire rating bureau program. Deputy Commissioner Joyce of the Maryland department has attended meetings on the subject. Superintendent Jordan has received letters from various states asking for information about the new program and for copies of the law.

### Long Insurance Experience

Mr. Stout has had about 20 years experience in insurance. A Virginian, his first connection was with the S.E.U.A. Richmond office. Later he was with the Virginia rating bureau and the Virginia insurance department, serving with the late Col. Button, first insurance commissioner there. Mr. Stout helped organize Virginia Automobile Mutual and worked with it a while. He went to Washington a few years ago and served for a time as insurance technical adviser with the War Department insurance division. In the D.C. insurance department he has been handling workmen's compensation filings, rates, rules, etc., and in that capacity has conferred with National Council on Compensation Insurance. He also handled insurance on motor vehicles for hire here under a requirement of compulsory insurance.

Mr. Cook has served with the D. C. government for 12 years, in its auditing department, and on the staff of the D. C. budget officer. He has served as examiner with the D. C. insurance department 3 years, and has been successful in connection with compulsory insurance of vehicles for hire. He is a graduate of a local accounting school.

### Bureau Committee Meets Aug. 25

After considering a draft of constitution for the new D. C. fire rating bureau, at a meeting here the governing committee adjourned to meet here again Aug. 25. John R. Cooney, Firemen's of Newark, presided as temporary chairman.

The committee received a report from its drafting subcommittee, headed by President William N. Payne of National Capital.

The new rating bureau must be in operation by Oct. 1, under regulations approved by the insurance superintendent.

Mr. Payne, it is understood, has been elected chairman of the governing committee. An executive committee has been named as the working body of the bureau.

## FIELD

### George Kluber in Ill. Post for Caledonian

George Kluber has joined Caledonian as Illinois state agent, filling the vacancy that was caused by the resignation some time ago of George Cassell to become associated with W. A. Alexander & Co., Chicago. Mr. Kluber during the past few months has been Illinois state agent of Kansas City Fire & Marine. Prior to that for several years he traveled in Illinois and Wisconsin for the Meserole companies and before that for many years was in the Illinois field for Great American.

### Anthracite Field Club Takes Up Rate Changes

The Anthracite Field Club of Pennsylvania will start the ball rolling at its September meeting at the Hotel Casey, Scranton, Sept. 12. One of the

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subjects of great interest is the recent change in rates, effective Sept. 1. Meetings have been held by local agents' associations in the territory, attended by a number of field men.

Secretary R. T. Creighton states that it is the consensus that the Anthracite Field Club should call a meeting as soon as possible in order to discuss the agents' sentiments as to the changes and to formulate a policy which the companies could pursue. The anthracite region has been more seriously affected by the change in rates than any other part of the state.

### Home Adds 3 Field Men to Farm Department

Home has recently added three special agents to its farm department. H. H. Johnson replaces J. H. Dixon in Tennessee and will have his headquarters in Nashville, operating under State Agent Glenn Glover of the farm department. Mr. Dixon went into the navy. Mr. Johnson has been a teacher in the high school at Greenbrier, Tenn.

Ralph H. Blevens was appointed in Indiana with headquarters at Indianapolis. He replaces W. K. Loop, who resigned some time ago to join his brother in the wholesale fruit and produce business at Indianapolis. Mr. Blevens was district manager at Vincennes with the Massachusetts Protective companies. He will assist State Agent C. F. Marberry.

In Texas D. W. Rutherford replaces H. G. Denman, who has entered the local agency business. Mr. Rutherford, who was at one time in the local agency business at Kermit, Tex., will work under State Agent O. U. Percifield of the farm department.

### Home Names Mathes in Ia.: Maxwell Back from Navy

NEW YORK—W. J. Matthes, who has been a local agent in Iowa City, has been made special agent of Iowa State Underwriters department of Home and will operate under W. N. Sage of Keokuk, general manager of Iowa State Underwriters. Mr. Matthes will travel out of Iowa City, where he will continue to make his home.

Home has reengaged G. C. Maxwell, who has been in the navy since November, 1942. He is temporarily located as special agent in Chicago under Manager L. J. Fischer. Before going into the navy he was for seven years a special agent under Weeks & Jackson. Home's state agents in Minneapolis. Before that he was with the Minnesota Inspection Bureau.

### Gulf Makes Changes in Its Texas Field

Gulf has announced several changes. Virgil F. Chase, Jr., special agent in Houston, who resigned and joined the army, has been released from service and has returned to Gulf to be stationed in the Panhandle, his territory prior to moving to Houston. Headquarters have not yet been established. He has been with the company for 15 years and succeeds C. D. Wilson, Amarillo, who re-

signed to join the Bruner-Wilson Agency there.

D. B. McCafferty, formerly Beaumont special agent, was moved to Houston when Mr. Chase resigned to enter the army. Mr. McCafferty was with the Texas department before joining Gulf three years ago. The Beaumont territory has been divided, with Mr. McCafferty and W. S. Anderson, Alto, taking charge. Mr. Anderson, recently discharged from the army, now is serving east Texas territory and formerly was a special agent and also was in the home office before entering service.

L. M. Lovelace, special agent at Fort

Worth, has been transferred to San Antonio to cover southwest Texas. He has been with the company three years. W. S. Parrish, formerly of the rating division of the Texas department, has been transferred from Houston to Dallas.

### Upward Oregon Special Agent

A. B. Upward has been appointed special agent in Oregon for the duration by American to replace William Prairie, resigned to become a local agent. Mr. Upward's address will be the same, 903 American Bank building, Portland. Mr. Upward was a local agent for several

years in California before entering adjustment work with the Fire Companies Adjustment Bureau. He had adjusting experience in California and for the last few months has assisted American in special agency work in Utah, and before that handled loss adjustment work for that company.

### Peterson to Ind. for Automobile

B. H. Peterson, engineer for Automobile and Standard Fire, who for two years has worked out of the Chicago office servicing midwest states, has been assigned to Indiana as special agent and engineer. He will assist State Agent

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**M**OST of the manufacturers and retailers you'd like to have as clients will probably tell you that they are pretty well satisfied with their insurance arrangements. There's only one way for you to get "in"—show that your service is better.

Service improvement need not be revolutionary, but it must be tangible. A saving of a few dollars, a slight improvement in the convenience or effectiveness of the prospect's insurance will often convince him that your agency is more alert. This may well win the entire account for you.

In such a competitive situation the chances are that you will know much less about the prospect's business than does his present broker or agent, so you have little opportunity to analyze the insurance coverage. In such a spot an agent should have something to offer which shows definite and immediate results, and which requires but little previous knowledge of the prospect's business. Parcel Post and Transportation insurance meet these re-

quirements. Most desirable commercial accounts need one of these covers, but many don't have it.

Our Parcel Post coverage costs less than government Parcel Post insurance. Furthermore, all details are completed at the insured's store or plant rather than at the Post Office and this eliminates standing in line. Smaller users will take the coupon form; larger ones the open form—both are simple in operation. Our Transportation insurance usually costs less than the same amount offered by carriers, and gives better coverage. In most cases when an insurance company carries the liability the insured will be paid with greater speed, and less red tape.

If you would like to see a complete sales promotion campaign on these coverages—letters, folders, blotters, a poster, a newspaper advertisement, and concrete suggestions on how to use them profitably—write and ask for our August "broadside". A sample is yours without cost or obligation.



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## Security Insurance Companies

SECURITY INSURANCE COMPANY OF NEW HAVEN  
EAST AND WEST INSURANCE COMPANY OF NEW HAVEN  
NEW HAVEN UNDERWRITERS  
CONNECTICUT INDEMNITY COMPANY

1841—SECURITY, THE NATION'S WATCHWORD—1944

W. G. Wheeland, with headquarters at 1216 Merchants Bank building, Indianapolis.

Mr. Peterson is a graduate of Armour Institute and has had a number of years experience with inspection bureaus.

### National Promotes Dyer to Field

Special Agent Howard G. Dyer has been transferred to Houston to assist Special Agent J. F. Nowlin in the development and supervision of business for the National Fire group in the south Texas field.

A native of New England, Mr. Dyer has had long experience in the under-

writing department of the National Fire group's southern field where he has advanced progressively from assistant map clerk to senior examiner of Texas business.

### Boost Trenbath Candidacy

The Seattle Blue Goose this week issued a letter to all ponds urging the election of E. W. Trenbath, Norwich Union, a past most loyal gander, as grand wielder at the Denver grand nest meeting Aug. 22-24.

### Name Gildemeister in Seattle

The Aetna Life companies have appointed Albert Gildemeister special

agent in Seattle, covering Washington, Oregon, Idaho, Utah and Montana. He has been in insurance since 1922, when he was graduated from Carleton College. He was with the Hardware Mutuals in Minnesota and Montana until 18 months ago, when he went with the army air force as an inspector.

### Heart of America Outing

The Heart of America Blue Goose at Kansas City will start its fall activities with an afternoon and evening of entertainment at Hillcrest Country Club Sept. 8. Alex B. Young, Hartford Fire, is most loyal gander and George Bredberg, Western Adjustment, chairman of the entertainment committee.

the insurance department of the Federal Works Agency and Federal Public Housing Administration. She handled many insurance matters in connection with large government projects. Her first Washington connection was with the Rural Electrification Administration and prior to that she was with the home office of North Carolina Home at Raleigh.

Franklin Drew, son of Cyrus K. Drew, publisher of the "Western Underwriter," has been commissioned a lieutenant in the army air force. He has been in the army more than a year. His wife is a daughter of H. Clyde Edmundson, vice-president of America Fore in San Francisco.

Col. Arthur E. Campbell, Seattle adjuster and attorney, who is with the American forces in France, suffered a deep shoulder wound when struck by shrapnel, but a letter indicates that he had resumed his duties. He was the first officer at his corps headquarters to receive the Purple Heart. Previously he had been decorated with the Bronze Star for "meritorious service beyond the line of duty" in the early days of the invasion.

Don R. McChesney, connected with Berkshire Life and the Consler agency at Rochester before the war, now is in Hawaii as an assistant field director of the American Red Cross. He was recently honorably discharged by the army, in which he served as a major overseas.

### Gilbert with Pacific Board

LOS ANGELES—A. W. Gilbert, who has been with Cosgrove & Co., has been appointed manager of the Pacific Board for southern California (District C).

Richard E. Waldron, who has been secretary and head of District C office for more than 20 years, will continue in that position, as will L. H. Earle, assistant district secretary.

**DOES YOUR  
MAILROOM  
NEED A  
DOCTOR?**



### Mail Distribution Slow? ▶

"Where the \*x-\* is my mail? I've been here over an hour and it hasn't showed up yet. This is the fifth time this week it's been late! No wonder our office doesn't get rolling until 10:30—no wonder we don't get things done. Why is the handling of our mail the slowest, most inefficient operation in our organization?"



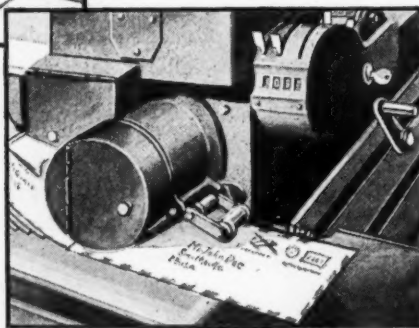
### ◀ Does Mail Go Out Late?

"What! You didn't get our quotation? Why, that went down to our mailroom at 2 o'clock yesterday—it should have caught the 5:30 plane! I guess our mailroom needs a good, thorough overhauling."



### Here's a Prescription ▶

The trouble is, Mr. Executive, you haven't given your mail-handling department the expert supervision or the modern systems and machines you have given your other departments. Cure your mail-handling ailments with CC mail-handling systems and machines. Plan your modern, postwar mailroom now. Our specialists will gladly help you.



Metered Mail Systems... Postal and Parcel Post Scales... Letter Openers... Envelope Sealers... Multipost Stamp Affixers... Mailroom Equipment. (Many Units available.)

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CONTROLS  
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Buy Extra War Bonds

ROCHESTER 2, NEW YORK

BRANCHES AND AGENCIES IN PRINCIPAL CITIES


## IN U. S. WAR SERVICE

David A. LePitre, son of Melvin LePitre, assistant western manager of Fire Association, was recently commissioned a second lieutenant in the army air corps at Ellington Field, Houston. After getting his wings he enjoyed a leave with his parents at Ephraim, Wis., and he is now at Charleston, S. C. He is a navigator.

Tech. Sgt. O. E. Albrecht, an underwriter for Home before entering the army in 1942, is in England where he is the non-commissioned officer in charge of the officers' pay section at an Eighth Army Air Force composite station. He has been overseas since September, 1942.

Capt. A. A. Rosa of the army air force, former assistant manager of the investment department of Standard Accident, has been promoted to major.

Lt. Col. Westray Battle Boyce, who has returned to duty in Washington after a year as WAC staff director in the Mediterranean area, is known to many insurance men from her work in



# The Constitution

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## FIRE AND ALLIED LINES

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## Washington Agents Hold Convention at Seattle

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state. H. D. Lasell of Aberdeen submitted the secretary-treasurer's report, which was followed by the report of the legislative committee by E. R. Bowden of Seattle. Bowden warned against dangerous initiatives on the November election ballot; initiatives 157 and 158, broadened social measures and referendum 25, which would permit consolidation of public utility districts. He also urged the state association to follow the lead of National association in backing early passage of the Bailey-Walter bill. Wm. H. Harmer of Seattle reported as regional vice-president west side and was followed by G. A. Jones of Walla Walla, regional vice-president, east side.

A. W. White of Seattle reported on financed automobile accounts and told of efforts to open bank finance facilities to members throughout the state. He urged continuation of this work as the post-war period approaches. In the absence of R. J. Martin of Spokane, T. J. Mee-nach reported the highly successful results of the dues survey which will produce more than \$1,000 additional annual income for the association without increasing the dues scale.

Charles P. Carroll of Spokane told of adoption of new farm form, new dwelling form and new extended coverage in Washington.

### Casualty Contact Committee

Harold N. Mann of Tacoma in reporting for casualty contact committee stressed importance of cooperation in handling assigned risks properly. He suggested possible broadening of Washington financial responsibility law and also broadening of the assigned risk plan. Resolutions included endorsement of use of gasoline funds for state highway development, continuation of forest preservation program, opposition to referendum 25 to permit merger of public utility districts, and full support of Bailey-Walter bill.

The afternoon session was opened to the insurance fraternity, with more than 175 attending. John Steen of Olympia, manager of Physicians Service Corporation, told of the medical society's plans for providing low cost hospitalization and medical service throughout the state.

A. J. Peters of Issaquah submitted a review of the past year's activities as retiring president. The report of the nomination committee by F. N. Bellinger of Bellingham and election of officers concluded the business program.

A cocktail hour sponsored by United Pacific and a banquet concluded the program.

### Dorsett's Public Relation's Talk

Six fundamental points about the insurance business should be stressed to the public, J. Dewey Dorsett, general manager of the Association of Casualty & Surety Executives, said in his talk. After the war there are certain to be powerful and influential forces inimical to the interests of the business, and the facts should be gotten to the public before the false charges and half truths of enemies of private insurance, he urged.

The public should know that concen-

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tration of control in the business is largely a myth, and competition is widespread, Mr. Dorsett said. It should know that earnings are spread among a great many participants—stockholders, agents and employees; that financial stability of the insurer is essential to the public interest and cut throat competition could have disastrous consequences; that rate making procedures recognize that lower rates mean more business and that the insurers consistently have followed the policy of increasing service while decreasing rates; that the decreased rate of accidents throughout the nation and improved health standards

can be attributed in large measure to the accident prevention and health work of insurers, and that insurance knows well that business will progress only as the nation progresses.

The Supreme Court decision in the S.E.U.A. case is now the law of the land and "we are going to have to live with it," W. Ray Thomas of Pittsburgh, vice-president of the National Association of Insurance Agents, said. He emphasized the importance of continued state regulation plus possible legislation to meet the emergency created by the Supreme Court's decision in its various aspects.

## New Vandalism Rates, Riot and Explosion Broadened

(CONTINUED FROM PAGE 3)

the 1943 New York standard fire policy, the first to cover fire caused by riot, has been adopted in 28 states, there has been a feeling that this factor should be dropped from the riot rate. Many people feel, however, that such a change, even though actuarially justified, would not be worth the effort at present, since extended coverage has largely displaced separate riot and civil commotion insurance.

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## McCarran Predicts Bailey Bill Passage in Senate

(CONTINUED FROM PAGE 3)

in this state," Mr. Schmidt said, and this will be the position of his office until some change is made by the Congress.

"We should insist upon retaining states rights and consider that the regulation of insurance business by the state is a constitutional and absolute right." He paid tribute to Senator McCarran and his work in behalf of states rights.

Incidentally, Schmidt pointed out that Nevada derives a considerable revenue from insurance; that since 1935, at which time such income was only a little more than \$40,000, it has risen to where it will be more than \$150,000 for 1944. It is quite an item in state revenues in this sparsely populated state, he said.

Senator McCarran went into the history of the Bailey bill in considerable detail, and also discussed the progress of the Walters bill. He criticized the "persistent delay" on the bill in both the Senate judiciary and its sub-committee, and said that in any other body

than a committee it would be considered filibuster.

The senator made the conjecture that if the bill gets into the senate it will pass, and said delays were due entirely to committee hearings, and promised that he would attempt to have the bill brought out of committee and placed before the Senate for action.

### George Vargas Presides

George Vargas, western counsel for the National Board of Fire Underwriters, presided at the meeting and spoke briefly on his efforts to get some action in Washington recently. In opening remarks he declared that the government has taken over the insurance business of the country, basing its right to do so on a "minority decision" of the United States supreme court. He termed the action of Senator O'Mahoney as a "filibuster" and said that if the bill was not passed by the present Congress all of the work would have to be done again; declaring that pending elections may have something to do with the delay.

"This bill is very simple," McCarran declared. "It is only one section. It provides, in substance, that the Sherman anti-trust and the Clayton acts, both anti-trust bills, shall not apply to the business of insurance. The Sherman and the Clayton acts were passed by the Congress many years ago. At that time I

have no doubt . . . that had the business of insurance been at all regarded as commerce between the states there would have been provision in both of those bills to eliminate that line of commerce. But it was not thought of, that any one should consider that insurance business, conducted as it has been conducted, would be regarded as commerce between the states.

"There was a reason why those who framed the anti-trust acts should not consider insurance as commerce. As early as 1869, the Supreme Court had dealt with the question in the case of Paul vs. Virginia, and there it was decided that the matter of regulation, as regards commerce, was a matter that belonged to the states, the specific states. From 1869 until 1913, or thereabouts, in the Deer Lodge case, the Supreme Court had from time to time made intimation, not passing on the question directly, but had made repeated intimation, that the business of insurance was a matter to be regulated and controlled by the specific states. In 1913 the Supreme Court very emphatically, after having reviewed all of its expressions from 1869 down to that date, stated that to write any different law at this time, speaking of the year 1913, would be to disrupt all the regulation that had been set up by the specific states. So, from 1913 until 1942 there was no intimation by either those interested in the business or by those interested in the regulation, or by the Supreme Court, nor indeed by the enforcement agencies of the government having to do with the enforcement of anti-trust laws, no intimation that any one would pronounce the business of insurance as being commerce between the states.

### Recalls Thurman Arnold

In 1942, a very energetic, a very able, a very efficient assistant attorney general, in charge of the enforcement of the anti-trust laws, looking over the country and enforcing the laws very energetically, through some process of reasoning best known to himself and his fine ability, concluded that the business of insurance was subject to the anti-trust laws . . . and, therefore, set about to enforce those acts as against the insurance business. Indictments were found and from the time the indictments were found against certain individuals engaged in the insurance business until a few weeks ago the matter has been passing through the courts.

"Then it was that Congress, both in the House and the Senate, introduced bills so that the expression of Congress, if you please, should go forth to declare to the courts of the land and to the people of the country that in the judgment and estimation of Congress the business of insurance was one that belonged to the regulatory powers of the respective states and not subject to anti-trust laws. That's how the bill came to the respective committees of the Congress.

"The House, by a strong majority, passed the bill just as it is before the committee of the judiciary today. When it came to considering the bill in the Senate, I personally thought that the bill would pass in just a few days. Personally, I could see no reason having read the opinions of the court of last resort, penned by very able men on that bench from 1869 clear down to the present date, why the bill should not promptly pass. But, an opposition was set up to the bill. How strong that opposition is in the committee today, I am unable to state. I am inclined to the belief that if the bill was put to a vote of the 18 members of my committee, it would pass by a narrow margin and would go to the floor of the Senate. I think it is not violating anything to say that whatever might be the intention of very lofty and very honorable members of the committee the result has been that by continued and continuous hearings a persistent delay has been effected. On the floor of the Senate a similar policy resulting in comparable delay might be known as a filibuster. I am not calling it a filibuster, because in committee, it is not a filibuster. The men who are conducting it are highly responsible, very able, very honorable gentlemen, but the result has been the same and the delay has been from week to week and from month to month. We concluded the hearings shortly after the death of Senator Van Nuys. The last hearing conducted by Senator Van Nuys—following the last hearing, he agreed to hold one more hearing and that was all. Death took him after that agreement and to carry out the policy that he had established I told the opponents of the bill that I would hold one more hearing. One more hearing, rather extensive too, if you please, was held, at the conclusion of which the sub-committee voted to report the bill favorably to the full committee. There was one condition imposed by Senator Ferguson of Michigan when he voted to report the bill favorably, and that was that the bill should not affect litigation then pending in the Supreme Court. That was entirely proper because it didn't seem reasonable nor right that Congress should pass special legislation to affect litigation then pending.

### Spasmoidic Hearings

"It went to the full committee and the full committee, not all being present, voted the bill back to the sub-committee. We immediately proceeded with hearings and we have been conducting hearings spasmodically ever since. It is now in the sub-committee. I think that as soon as

Congress really gets down to business again that the hearings will be continued and concluded. This is a far-reaching piece of legislation. This is a far-reaching decision that was handed down by the Supreme Court by a vote of four to three. Mr. Vargas made the statement that it was handed down by a minority of the whole Supreme Court. That is true. Two members of the Supreme Court disqualified themselves because, perchance, they had been in their practice engaged in the insurance business or represented insurance companies. So, it left but seven members to consider the question, and of the seven four voted that the business of insurance was commerce between the states. Therefore, the Clayton act and the Sherman act applied to that line of business, and there isn't any use, especially one who belongs to the bar of the Supreme Court, saying that he does not agree with the reasoning.

"The decision by the four members waved aside all the history of the entire court from its early date until the present time and set up a new policy and a new plan.

"I make the conjecture, without ever having taken a poll of the Senate, that if the bill gets to the Senate, it will pass. It is now being delayed because of the diligent hearings that are being conducted. Members of the committee have said that these hearings could not apply to the bill that is before the committee because these hearings that we have conducted go into the question of whether or not unlawful practice is being indulged in by those in control of the insurance business, these hearings dwelling upon the subject as to whether or not fraud is being perpetrated by those who practice the insurance business. The answer to the whole thing is that if fraud is being perpetrated, if illegal practices are being conducted, we have the history of states that have dealt with the subject very emphatically.

### Influence of New York

"Most of the large insurance companies are centered in New York City. Their operating forces are in New York City. They operate from and belong to and are under the jurisdiction of the laws of New York. It isn't so long ago, it is within the memory of some of us, when Mr. Justice Hughes, then in the private practice, was appointed to deal with the subject and dealt with it very effectively in the state of New York. That piece of work, on the part of Mr. Hughes, was the thing that centered public attention upon him and from there on he became a public figure of outstanding recognition. The state of New York dealt with the subject very emphatically and I think, cleaned up whatever there might have been, and there was unlawful practice, unmoral practice, if you want to put it that way, in the insurance business conducted from New York. The fact that it is within the respective states to control this subject is just as emphatic today as it was before Mr. Hughes took hold of it in New York, and the respective states of the Union can deal with the subject and do deal with the subject under their own laws and deal with it exceedingly emphatically.

"There is scarcely a man or woman, and indeed many children, in the United States that isn't affected by the decision of the Supreme Court, because we have all been taught, and it has become a thing common to our very being, that insurance should be taken out for those who may be dependent, that insurance should be taken out for the youth of the land, that insurance should be taken out for any one of a dozen or 50 purposes. It has been so inculcated into our lives, if you please, that modern warfare is carried on with the nation standing behind an insurance policy and every man who goes into the military service is afforded the opportunity of taking out insurance, so that those who are left may be taken care of. Indeed, it is regarded as the one way by which we may deal fairly with those who may be dependent on our demise. And so it affects every man and woman in the country. It isn't a question that merely affects the fraternity that have to do with the insurance business or who make their living or are engaged in the insurance business. That is only a small fraction of those who are affected. It affects the states themselves, if you please. Your own state and every other state has its insurance regulatory body set up and out of that there comes revenue to the respective states.

### Welfare of Citizens

"I believe in states rights. I believe in the right of the sovereign state to govern and control the things that impinge upon the rights and liberties of the respective peoples of the respective states. I think government when brought closest to the individual is the most popular form of government and for that reason I adhere to the idea that each state should have power to control the matter of insurance within its borders, because it must look out for the welfare of the respective citizen.

"If we say that the Sherman and the Clayton acts are to be put in force as regards insurance, then immediately following there will be set up in the federal government a new agency to deal with the subject. Now there just isn't any use in some one saying that will not occur because it will occur. It's a new opportunity, if you please, for a new

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agency, and I say this without the least intent of speaking disparagingly or critically, it is human nature that wherever there is opportunity to set up a new agency, and when a new agency is set up, then new ramifications run out from that new agency and you will find this business that has come up, for nearly 100 years governed by the respective states under the court of last resort, you will find this business governed by a central body located in the national capitol. Those are the things and that is the idea that some of us do not believe is necessary. Wherever regulation of the things that affect human nature and human acts is necessary at the hands of the federal government, that is well and good, but wherever a state can govern it within its own borders and can control by its own powers, then it seems to me that it brings that function of government closest to the people and there it should remain. I am expressing my individual views on that subject at this time. I shall, as I have, attempt to have that bill brought out of the judiciary committee and sent to the floor of the Senate. I don't believe that it will pass in a day. I think when it gets to the floor of the Senate it will meet with strenuous opposition, but not of the majority of the Senate."

## "Pathfinder" Urges Bailey Bill Passage

The "Pathfinder," which has a large circulation among farmers and in small towns, in its Aug. 7 edition has an editorial, "Crisis for Insurance," which concludes that the predicament "is a serious one, and concerns not only the insurance business but also every individual who owns an insurance policy, and is dependent upon the soundness of the company which issued it." Unless Congress enacts legislation to meet the situation the result, according to this editorial, will inevitably be the destruction of the present system of regulation by the states and "one more addition to the centralized regulation of business from Washington."

The editorial takes up the question of why insurance should not be subject to the anti-trust laws just like any other business stating that the answer lies in the nature of the business and the history of its development under state regulation.

If distribution of risk is to be fair and equitable, "Pathfinder" states, rates must be determined according to the hazards involved and not by the bargaining methods which are customarily followed in the market place where goods are sold.

### Interest of Public

The interest of the public in the price which it pays for insurance is not the same as in the case of other businesses. Purchasers of commodities are not harmed by the financial failure of the seller but an insurance contract is not worth the price which has been paid for it if the insurer is unable to perform its obligations. Hence the public is vitally interested in the financial stability of the companies and must be certain that the prices are sufficient to maintain their solvency. Unrestricted competition which is required by the anti-trust laws can result in excessive

rate cutting and the insolvency of the less conservative companies.

"Pathfinder" gives a resume of the system of state regulation and observes that the cooperative methods fostered under state regulation now collide with the federal anti-trust laws which the Supreme Court, disregarding both the experience of the states and its own earlier decisions, has determined to apply to insurance.

"How the insurance business can adjust itself without complete disruption and confusion is the question which, notwithstanding a few reassuring gen-

eralities by the attorney general, the Department of Justice has failed to explain."

### Seek to Tax Newark Fire

NEWARK—The Newark tax board will petition the county tax board for permission to restore Newark Fire to the city's personal tax rolls. It was taken off the tax rolls when the company moved its registered office from Newark to Flemington, N. J.

The tax board now alleges that none of the ordinary business of the company

has ever been transacted in Flemington, but continues to be transacted in Newark.

The 1943 personality assessment of the company was \$960,300.

Jack J. Johnson, associated with L. L. Andres, manager of the Magill Agency, Chicago, won a six months production contest of West Bend Mutual Fire for total premium volume, and this week was on a fishing trip to Port Washington, Wis. He is spending several days on a commercial fishermen's tug on Lake Michigan deep-trolling for trout.

## EVERY DAY—MAKE FIRE PREVENTION YOUR PERSONAL WAR WORK



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*Merchandise is already scarce*

## Don't let any more burn!

Some goods are rationed. Some, under government order, can be made only in limited quantities. Others may not be made at all for general public use until the war is won.

It's mighty important that no more be burned up—whether they are shoes or tires or food or bicycles.

There never was a time when fire prevention was more necessary on all types of buildings and stocks and furnishings.

Fire means waste. Waste means a weakening—in some form—of the nation's war effort.

That's why it is so worth while for you to make fire prevention your personal war work—every day.

Is there a Fire Prevention Committee in your community? If so, work with it. If not, you can make a real contribution by organizing one now. Our fieldmen will be glad to help you outline a program.

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## Fire Carriers Tell Why Long-Range Plans Must Wait

(CONTINUED FROM PAGE 3)

point, offers what nothing else can, the memorandum states that "most certainly the commissioners will not desire to in anywise inculcate the thought that the states question the essential concept of their own regulations and their ability to regulate."

The memorandum reaffirms the stock companies' desire and intention to continue unabated their study of all steps which may be taken to secure beyond doubt untrammelled state regulation and their wish that there be no unnecessary or unwisely delay in formulating and consummating a complete long range program.

In support of the stock fire and casualty contention that no complete long range program may be readily consummated or formulated, the memorandum analyzes the various possible courses that have been suggested for the preservation of state regulation. It states that "it would seem that the aim of any federal legislation should be toward securing state regulation by sufferance." This would necessitate the examination of every provision of state regulation which may now or hereafter exist and also the consideration of which of these statutes or rules the federal courts might hold to be either inconsistent with a federal statute or to be interference with interstate commerce. Any state statute or rule contrary to a federal statute would be held void and it may also be void if it interferes with interstate commerce even though it does not conflict with a specific federal statute.

"It is not believed that every state statute or rule will be held to interfere with interstate commerce or to conflict with a federal law but consideration of the possibility is necessary," the memorandum points out. "It must

also be borne in mind that actual practices in the business which are deemed essential to public service must likewise be examined for even if they are not the subject of specific state statutes or rules, action thereunder may nevertheless be illegal. Obviously such a study will take time—and perhaps considerable litigation. Perhaps litigation may not only be necessary to a solution but, in some respects at least, be the best means of securing solution with certainty.

"Such a study will be difficult not only because it requires examination of all statutes of 48 states but because the decision in the Southeastern case does not offer a guide or standard for determining what provisions of state regulation are or may be affected by the decision, adversely or otherwise. Mr. Justice Jackson pointed out this fact. However, with the knowledge in the commissioners of the provisions of the laws of their respective states and of the body of state regulatory law in general, the provisions of the state regulation may at least roughly be divided into four categories: (a) provisions respecting taxation, (b) provisions respecting qualification requirements, (c) provisions respecting maintenance of reserves and investments and (d) provisions respecting practices in the making and maintenance of rates and forms of coverage.

### RATING IS HIT

"Even a hasty consideration of these categories will convince that the latter are already directly challenged, for practical purposes rendered impotent, and that the integrity of the business and the protection of the public is thereby threatened in at least some of the fields of insurance—and this not because they interfere with commerce but because they constitute a violation of federal anti-trust laws. From this it would seem that there would again emerge the necessity and desire of focusing remedial efforts on those laws."

The memorandum points out that the

power of taxation is of greatest importance to the state and it cannot be forgotten that many state tax laws have been held to be invalid because of interference with interstate commerce. At the same time there are obvious reasons why the Justice Department will probably not immediately press on that score and there is no reason to believe that the stock companies desire to test state regulation on that point unless they are forced to.

As for state regulations on qualification, reserves and investments some of these may well be held to be in the public interest and neither inconsistent with federal law or policy nor an interference with interstate commerce. Others may be held invalid. The difficulty lies in finding a guide or standard, the memorandum states. When these studies have been completed, efforts should be directed toward the framing of legislation by Congress which will permit by sufferance the retention of those provisions of state regulations which would otherwise be nullified.

Such sufferance would have to be obtained through an affirmative authorization of state regulation by Congress, the adoption by Congress of present and future provisions of state regulation, a declaration by Congress that such provisions shall not be held to be an interference with interstate commerce, action by Congress which will remove or make inapplicable any federal statute conflicting with or inconsistent with state regulation, or a combination of these courses. The solution as a whole will not be easy, for there must be considered the power of Congress to delegate to the states its own powers as well as the difficulties of attempting to deal with a body of state regulation as it may exist in the future as related to federal laws now and hereafter enacted.

However, the memorandum points out, solution will be easy where the only problem involved is conflict with federal statutes such as the Sherman and Clayton anti-trust acts. A factor to be borne in mind in this connection is that the federal anti-trust laws constitute the only federal laws really in the nature of regulatory laws which have been applied directly to insurance. It may fairly be

assumed that prompt action by Congress to render the anti-trust laws inapplicable and thus return the law in that respect to the status existing prior to the Southeastern decision will so clearly establish an intent and policy on the part of Congress as will cause any other aspiring federal bureau to hesitate before again interfering with state regulation, the memorandum contends.

The best formulated long range plan may require for unity and completeness concurrent or supplemental legislation by the several states, according to the memorandum. This arises in part out of the possibility that certain forms of state regulation may under some construction of Parker vs. Brown (the California raisin case), be permissible despite the constitutional power to regulate in the federal government. However, in spite of this possibility it cannot be overlooked that the decision in Parker vs. Brown is strictly limited by the facts of that case.

"It has been intimated in some quarters that perhaps under the doctrine of Parker vs. Brown without a reversal of the Southeastern decision or federal legislation the preservation of state regulation may be secured through the enactment by the states of detailed state rating laws," the memorandum continues. "For reasons just above pointed out there can be no certainty of this and there is strong foundation for the belief that no such course would be upheld. The fact that there is uncertainty in that course does not alleviate existing confusion. Even if that course be ultimately determined sound in theory there does not now exist a standard for a rate regulatory law which would comply



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with the theory. Neither the courts nor Congress has set such a standard. The states would in a large measure have to guess at the standard and it would undoubtedly take time for them to enact laws to comply with their guess or guesses. It might well be that there could be no complete uniformity in such a law consistent with the views of the citizens of the several states.

"At best if state regulation be preserved in this manner it would be state regulation directed by the federal government—not the untrammelled state regulation heretofore existing. At best such a law could hardly be a foundation for sustaining those provisions of state regulation not directly dealing with rates. It can hardly be expected therefore that the states or the companies will rely upon so tenuous a possibility and one which at best will take most considerable time. All concerned would be remiss if they did not weigh in such a proposal the possibility of misguided hope or some aim short of adequate solution for preserving state regulation in its true sense and protecting the insurance business as a whole."

The memorandum concedes that the constitutional power of the states to regulate could be assured by a reversal of the Southeastern Underwriters Association decision or a reversal in another test case, or else a constitutional amendment, but all of these would involve a prohibitive amount of delay. Thus, for practical purposes, the situation in which the companies find themselves means that without affirmative action by Congress the states cannot permit nor may the companies engage in concerted action that is essential from the nature of insurance.

## CHICAGO

### W. RAY THOMAS IN CHICAGO

W. Ray Thomas of Pittsburgh, vice-president National Association of Insurance Agents, was in Chicago last week en route to Seattle and Portland, Ore. He addressed the Washington Association of Insurance Agents and the Oregon association. He conferred with Wade Fetzner, Jr., public relations representative of the National body, while in the city, as well as some other leaders.

### NEW COOK COUNTY HAND-BOOK

The 1944 edition of the Underwriters' Hand Book of Chicago and Cook County has just come from the press of The National Underwriter Company. This is the 31st edition of the handy publication that is a constant reference book in most Chicago insurance offices.

It includes a complete list of the licensed brokers, both Chicago and suburban, with their address and license numbers. There are lists of independent and company adjusters, and adjusters for assured; fire, marine, casualty and life agencies; fire and casualty managers and agents; fire, casualty and life associations and bureaus; branch offices of fire, casualty and life companies; a list of fire companies, stock, mutual, Lloyds and reciprocal or inter-insurance exchanges, of casualty companies, stock, mutual, reciprocal, and hospitalization, and of the life companies.

There is a list of Cook county field men by names and companies; a list of insurance groups and also a list of managers and general agents classified as to fire, automobile, marine, casualty and life. In addition there are listed the ma-

rine agencies, miscellaneous insurance interests, aviation insurance offices, real estate and loan agents, sub-agents, suburban agents, claim departments, etc.

The Underwriters' Hand Book is of handy pocket size, bound in red fabricoid as in the years past. It is an invaluable reference work without which scarcely any insurance office in Chicago can get along. The single copy price is \$5 and this publication may be secured through The National Underwriter, 420 East Fourth street, Cincinnati, O.

### LARGE REPUBLICAN RALLY

The auditorium was filled for the rally that was conducted by the insurance division of the Business Men's Committee of Chicago. An appeal was made to those present to enlist in the work of aiding Republican precinct captains to get eligible persons to register in September and to vote on election day for the Republican candidates. Special emphasis is being placed on the election of Republican congressmen in the five districts in Cook county. A particular appeal was made to the insurance group to aid the Republican cause because of the fact that the Republican platform contains an insurance plank while the Democrats rejected such a plank and are, many believe, ominously silent on the subject.

Speakers included Henry Pope, Jr., chairman of the Business Men's Committee; Frank J. Durham, of the W. W. Durham agency and vice-chairman of the committee; Congressman Fred Busbey who is an insurance broker, Wade Fetzner, Jr., president of W. A. Alexander & Co., and chairman of the public relations committee of the National Association of Insurance Agents, and Fred Bracken, insurance broker who is head of the insurance division of the Business Men's Committee.

### Developments in Anti-Trust Suit in Minneapolis

MINNEAPOLIS — In connection with the conspiracy action brought in federal court by Jack T. Miller, general agent, against 12 insurance companies, Minneapolis Underwriters Association and Western Underwriters Association, the Minneapolis organization has taken up with the legal department of the National Association of Insurance Agents its side of the case.

Some observers believe the complaint filed by Mr. Miller is faulty in several respects and will have to be corrected. For one thing it names Aetna Casualty a defendant when as a matter of fact this company is no way involved. George Blomgren, manager of Minne-

sota Underwriters Association, is named in the suit although he is not a corporate officer of the association.

A number of non-board and mutual general agents operating on the same basis as Mr. Miller, it is reported, are disturbed at the prospect that the present board and non-board division may be removed. Their attitude is that they have been successful under the present setup and are content to have it continue.

Officers of Minneapolis Underwriters Association have repeatedly invited Miller to join the association but he has refused. He has over a period of years threatened to bring just such an action as this.

The case is set for the October calendar in federal court at Minneapolis.

W.U.A. has not yet been served.

A number of western department managers conferred in Chicago Wednesday on the question with E. L. Williams, president Insurance Executives Association.

### Emporia Insurers Elect

The Emporia (Kan.) Insurers have elected Fred J. Scott president, succeeding E. C. Ryan, and Robert I. Anderson, secretary-treasurer. J. A. McClure of McClure-Wilcox, dean of Emporia agents, was named honorary vice-president.



## Do you ever say—

"Give us your insurance"? . . .

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## EDITORIAL COMMENT

### Senator O'Mahoney Beckons

We can't warm up to the invitation of Senator O'Mahoney of Wyoming to the insurance business to come sit at his feet and work out a program that will be best for everybody—the states, the federal government, the insurance business and the public. O'Mahoney now is amiable and fatherly. Not so long ago he was taking savage punches at the insurance business, seizing whatever was topical at the moment in the field and putting a lot of sinister embroidery on it. That seems to be his established technique. We recall that in the TNEC investigation of life insurance he was at first savage and then switched over to a purring mood and seemed to be inviting the industry to rally around him and do something constructive.

He has some sort of an economic theory that serves him year in and year out and when he is in a mellow mood he recites this theory and says that all he wants is for the insurance business or whatever activity is presently engaging his attention to conform to that doctrine. Much of the time he seems to be on both sides of the question at once. Undoubtedly Senator O'Mahoney has sincere economic convictions and they have a certain superficial attraction, but he doesn't appeal to us as a man to whom the insurance industry should offer itself for adoption.

In the home that he would provide for the business the caresses might balance the whippings but it would be hard on the nerves.

### Coal Mining Isn't Silver Mining

It is unfortunate for the entire insurance business that nearly everyone who is not engaged in one or another of its branches fails to understand the great dissimilarity that exists between life insurance on the one hand and property and liability insurance on the other. The tendency to lump these two unlike entities showed up in some of the S.E. U.A. Supreme Court opinions and in many of the numerous newspaper editorials which commented on the decision.

This confusion opens the way for the unthinking legislator or the shrewd political manipulator to make it appear that because these two major branches don't make common cause the insurance business as a whole doesn't know its own mind and needs to be taken gently by the hand and led along whatever regulatory path that that particular advocate is beating the drum for. There are enough dissimilar viewpoints in the non-life side of the business without adding another based on a fallacious concept of the relationship between the life and the general insurance business.

This fundamental difference between the life and general insurance business is difficult to get across to the non-insurance man. Right now it would be delicate as well as difficult. For the fire companies to do it might look as if they were putting up an alibi for the failure of the life companies to support the Bailey-Walter legislation. If the life companies were to do it just when the fire people are embroiled with the Justice Department they might seem to be spotlighting their own state of virtue and thanking God that they are not

as the other insurance companies are.

As far as the life companies are concerned, they have what they believe are good reasons for not coming out in favor of the Bailey-Walter legislation. The main one is that since their present methods of operation do not conflict with the anti-trust laws the probable construction that could be placed on their support of the Bailey-Walter bill would be that they wanted to get things fixed so they could later take advantage of immunity from the anti-trust laws.

Another interpretation, and one that it is feared the demagogues could exploit, might be that if the fire business can enlist life insurance's aid in its anti-trust fight, then the entire insurance business is indeed a vast system of cahoots, wheels within wheels, a far-flung economic empire, and what not. Hence quite a few life company executives wonder, despite a certain amount of fire company feeling that their allies have run out on them, whether life insurance support for the Bailey-Walter legislation mightn't do the bill more harm than good.

Many life companies do not share the fire companies' optimistic view of the Bailey-Walter bill's chances of getting through the Senate and are highly skeptical of the chances that President Roosevelt will permit the bill to become law, even though he has to make his decision before the November election. If he chooses to write a stinging veto message, denouncing the bill as special-interest legislation and ignoring the difficult situation that confronts the fire companies under the Supreme Court de-

cision, the public is certain to take it as a slap at life as well as fire insurance, even though the life companies did not support the bill. This is another reason for the life companies' reluctance to take a hand in promoting the bill.

This may seem like super-caution but it is understandable in view of the highly personal nature of life insurance policies. For most people life insurance constitutes just about their entire estate and they are keenly interested in anything affecting it. Nearly all the letters that public officials and Congressmen and Senators have received about the Supreme Court decision were from people who wanted to know how it would affect their life insurance. Few were concerned about their other insurance.

The problems that confront the various branches of insurance as a result of the Supreme Court decision seem likely to clarify in the public's mind the essential difference between life and non-life insurance. In addition there is a growing contrast between their meth-

ods of distribution which seems likely to become definitely sharper after the war. Life insurance selling appears to be going more and more in the direction of agents who are actually, and often legally as well, the employees of their companies. As home offices improve their techniques of selection, supervision, and training salesmen how to sell, the life insurance agent operating on his own, like the local agent who sells fire and casualty insurance, will very likely become less typical of the life insurance distribution method, even though many big life insurance producers, including brokers, do maintain an independent contractor status.

The public knows better than to lump the mining of coal, copper, gold and silver, and refer to them categorically as the mining business. It seems clear that all branches of the insurance business will be better served when the public learns to distinguish similarly between the different kinds of insurance rather than regarding life and non-life as branches of the same tree.

## PERSONAL SIDE OF THE BUSINESS

A span of 60 years in the insurance business is the record of **W. S. Hukill, Jr.**, a prominent Cincinnati agent. On Aug. 11, 1884, he took his first position with Manufacturers & Merchants as office boy and clerk. One of his duties at that time was to carry renewal notices to policyholders and secure their renewal. His industry and study of the business merited advancements until Mr. Hukill became secretary of the company, which position he held when it was reinsured by Home in 1910.

When Mr. Hukill started, the home offices of 26 companies were located at Cincinnati. They were operating under Ohio charters and wrote both fire and marine coverages. The marine coverage was on hulls in the midwestern rivers and elsewhere.

The western departments of many companies were located at Cincinnati and some of these handled more business than was written at the home office.

Mr. Hukill has been a member of the Cincinnati Fire Underwriters Association for many years and was twice president in 1922 and 1928. He joined the Blue Goose within three years after it was organized, maintaining his membership, until he started his local agency in 1910. He was one of the first tenants of the First National Bank building, opening the office there before the building was finished.

Mr. Hukill is at his office every day actively attending to details of his agency. Along with the old Manufacturers & Merchants, Home got Mr. Hukill as when he established his agency he wrote his policies in Home. Today it is the only fire company in his agency. Some of the oldest families in largest industries in this city are clients. His books show the second and third generations of original policyholders.

Home gave Mr. Hukill a luncheon.

When he came to his office as usual on Aug. 11, he found it decked with flowers and gifts from his friends.

**A. R. Matthews**, vice-president-secretary of the Meserole companies, and Mrs. Matthews have been vacationing at Fish Creek, Wis.

**M. E. Williams** of McAlester, Okla., is celebrating this year his silver anniversary in the insurance business. In 1904 he decided to establish a real estate and insurance agency at McAlester. Security of New Haven was the first company to enter his office and it is still enrolled. Mr. Williams was formerly in the railroad business for a number of years and was district freight and passenger agent for the M.K.&T. Railroad at McAlester 1898-1903. He was the manager for the first electric interurban railway line in Oklahoma.

He served as president of the Oklahoma Association of Insurance Agents, being elected in 1925 and again in 1928. He has been active in civic affairs and was jury commissioner for eastern Oklahoma for four years.

**George F. Kirkwood, Jr.**, vice-president of the H. R. Whiteside agency in Cincinnati, has been elected mayor of Madeira, Cincinnati suburb, by the village council. He is president of the Madeira Kiwanis Club and vice-president of the Kiwanis Council of Ohio.

Three members of the headquarters staff of the National Association of Insurance Agents are attending the National Institute for Commercial & Trade Organization Executives at Northwestern University, Evanston, Ill., this week. They are George DuR. Fairleigh, treasurer and assistant secretary; Oscar H. West, Washington manager, and Wallace Rodgers, executive assistant. Bessie Snyder, secretary Pittsburgh Insurance Agents Association, is attending.

Theodore M. Gray, executive secretary



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of the Ohio Association of Insurance Agents, also is in attendance.

## DEATHS

**Mrs. Ralph F. Woltersdorff**, Chicago, wife of the assistant western manager of Atlas, died at a hospital in that city Sunday. She suffered a stroke Saturday. However, prior to that she had been in fairly good health and she and her husband visited friends Friday evening. Mrs. Woltersdorff traveled at times with her husband when he was covering Michigan for the Atlas. She attended field meetings at Lake Delavan, Wis., when the Illinois Fire Underwriters Association met there and hence was well acquainted with a number of people in the business. Funeral services were held Wednesday.

**Louis M. Dietschler**, 52, Buffalo agent, died from a heart attack. He was associated at one time with Richard L. Woods, Inc., and later opened his own agency.

**Mrs. Jeanne Giberson Fischer**, 29, daughter of Mrs. Edith Giberson and the late J. A. Giberson of the Giberson agency of Alton, Ill., died at a hospital in Hackensack, N. J. Her residence had been at Ridgewood, N. J. Her brother, Dudley F. Giberson, is manager of the Giberson agency and is presently in the army, stationed at Camp Bowie, Tex. Mrs. Fischer was a partner in the firm of the Giberson agency.

Just a few hours after being elected vice-president of the Emporia Insurors, **Forrest L. Robinson**, 52, was stricken at his home in Emporia, Kan., and died. A native of Ohio, he went to Emporia in 1907, and was graduated from the Emporia Business College. He was a public accountant for 18 years and more recently had been in the insurance business as a local agent and as representative of Equitable Life of Iowa. He was at one time treasurer and business manager of the Emporia Business College. He was a director of the Chamber of Commerce and was active in the Salvation Army.

**William A. Scherfe**, 77, veteran local agent at Fort Madison, Ia., and past president of the Iowa Association of Insurance Agents, died unexpectedly at his home Aug. 12. He operated the agency founded by his father, August. His father started the agency in 1891, representing Des Moines Fire, Security of Davenport and later Hawkeye Fire. When W. A. Scherfe entered the business in 1893 the agency branched out.

For 12 years Mr. Scherfe in addition to operating his agency did special

agency work in Iowa for Great American under Roger Swire, state agent. Later he was with British America and Western and for a time did adjustment work for Royal. He stopped doing outside work in 1924 and thereafter devoted his entire attention to his agency business.

He was quite active in the business until the time of his death. He was secretary of the W. A. Sheaffer Pen Company, having become interested in it at its inception. Associated with him in the agency were Paul C. Baughman and Mrs. Theda V. Clark.

He had been at his office during the week but was overcome by the heat Saturday, evidently retiring in fair shape but died during the night. He was born in Ft. Madison July 24, 1867. When he was a boy he clerked in a retail store, then was a machinist for a few years. He became a fireman on a locomotive before taking up insurance.

He was severely injured while he was a railroad fireman and when he was able in 1893 he entered the insurance business. He was a director of American State Bank in Fort Madison until 1929; president and director of the Cushman Foundry & Machine Company and the Midwest Wax Paper Company of Fort Madison.

**Karl S. Mayhew**, who was connected with the New York office of the insurance division of War Shipping Administration and was a marine insurance expert of long experience, died at the Hospital for the Ruptured & Crippled in New York. He started in the marine field in 1898 in the New York office of British & Foreign Marine and in 1918 became connected with the New York marine department of Automobile. The next year he became secretary of Maritime Underwriting Agency, Inc. During 1922 he was associated with Western of Ontario. He went with the liquidation division of the New York department and had a hand in the liquidation of the assets of Norske Lloyd. He later took up the study of law at St. Johns University and in 1931 was admitted to the New York bar. He became associated with the late Lester B. Donohue in the practice of law. In 1943 he went with WSA.

**Brian A. Thompson**, 37, partner in the Neare, Gibbs Agency, Cincinnati, died at Grant hospital, Columbus, from pneumonia. He was born in England and graduated from Brighton College in Sussex. After a career as a fine arts dealer in London and cattle rancher in Australia, he became associated with S. E. Higgins & Co., brokers at London Lloyds and later was with Chubb &

Son in New York. He joined the Neare, Gibbs Agency in 1931, becoming manager of the marine department there and a member of the firm in 1934. He was an authority on marine insurance and the author of articles on that subject which appeared in insurance papers.

Mr. Thompson was associate member of the Association of Average Adjusters. In 1942 he was commissioned an ensign in the coast guard, later advanced to lieutenant and this spring returned to civilian life. As a representative of the coast guard with the War Shipping Administration Mr. Thompson worked out a comprehensive insurance plan.

**Allen B. Doty**, 58, general auditor of Fire Association, died suddenly in New York.

Mr. Doty was born at Rensselaer Falls, N. Y. He graduated from the Potsdam College where he trained for the teaching profession, which work he followed for several years. Moving to New York City, he entered the insurance field, joining the accounting department of Casualty Company of America. He later joined the staff of Joseph Froggatt & Co., and engaged in public insurance accounting, and in 1920 was appointed manager of their Philadelphia office. In 1922 he was transferred to San Francisco in similar capacity. About 1925 he joined National Union Fire and

in 1928 he joined Fire Association as general auditor.

**L. H. Waidner**, partner in the Waidner-Zweig Agency of Chicago, died after an illness of several months. He would have been 70 in November. Mr. Waidner was in the insurance business for more than 50 years. He started with Royal's local office in Chicago as a broker associated with Law Brothers, the managers. After some years he formed the agency of Waidner-Power-Zweig & Lasch with three brokers with whom he had been associated at Royal. Of these four, Benjamin Zweig is the only remaining member of the agency firm.

Mr. Waidner was a very astute insurance man. He handled large lines and especially great industrial risks. He wrote all lines of insurance including life insurance and some years ago was producing life at the rate of several hundred thousand dollars yearly.

There will be no interruption of the business of the Waidner-Zweig Agency, which continues as before under direction of Mr. Zweig.

Mr. Waidner was a Spanish-American war veteran, having been a member of the First Illinois regiment and seeing active service at Santiago, Cuba, in company with Mr. Zweig. The two had been associated for 47 years. Mr. Waid-

(CONTINUED ON PAGE 24)

## Protectors of American Shipping



### American Fleet at Tripoli

Commanding a squadron against the Barbary powers in 1803, Captain Edward Preble arrived at Tangiers in October and speedily forced from the Sultan of Morocco a renewal of the treaty of 1786—after which he proceeded to Tripoli.

The frigate Philadelphia of his squadron was captured while pursuing Tripolitan gunboats, and Preble blockaded Tripoli for several months endeavoring to regain or destroy the ship.

In July of 1804 he bombarded Tripoli and subsequently conducted six vigorous attacks in which he captured three gunboats and sank three others. A treaty of peace was signed in 1805

without further fighting, and Preble returned to the United States where he received a gold medal and the thanks of Congress.

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## Casualty Carriers List Problems to Be Faced

### Raise Basic Questions Implicit in Long-Range Regulatory Program

Preservation of state regulation of insurance demands prompt action on emergency legislation, according to the memorandum filed by the Association of Casualty & Surety Executives with the federal legislation subcommittee of the National Association of Insurance Commissioners. This recommendation does not specifically refer to the pending Bailey-Walter bill but apparently has that type of legislation in mind. The memorandum also recommends and expresses the belief that it would add tremendous weight to the petition for a rehearing of the S.E.U.A. case if the attorneys-general of the 48 states would join in the brief or file separate briefs as amici curiae.

Of the need for emergency legislation the memorandum states that "our companies and the executives of our companies are confronted with a serious situation. Just how long the structure can hold together is most doubtful. If the break once starts, it will end in the chaos of rate wars with their consequent damage to the public and the companies."

### Biddle's Assurance Insufficient

As for Attorney-General Biddle's assurance that the Justice Department is determined to give reasonable time for the states and companies and federal government to adjust themselves, the memorandum points out that this is no protection against civil action for damages resulting from alleged violation of the anti-trust laws, that the Attorney-General cannot prevent the efforts of the Federal Trade Commission to regulate insurance, and the assurance of the attorney-general may expire through lapse of time or change of office. The memorandum cites the case of Ware vs. Travelers, decided June 28, in which the federal district court in Idaho held that the state countersignature law is an unconstitutional restriction on interstate commerce.

The memorandum states that as far as formulating permanent state or federal legislation is concerned fundamental constitutional questions must be answered. It lists some of these basic preliminary problems as follows:

(a) May a state now require a foreign insurance company, authorized by its charter to engage in lawful commerce among the states, to take out a license for the privilege of carrying on the business of interstate commerce within the state?

Mr. Justice Black, delivering the majority opinion in the S.E.U.A. case, cited with approval the case of Crutcher vs. Kentucky, 141 U. S. 47, which holds that "a state law is unconstitutional and void which requires a party to take out a license for carrying on interstate commerce, no matter how specious the pretext may be for imposing it." It is evident that even the majority of the Supreme Court considers the Crutcher case still to be the law and in the above quotation Mr. Chief Justice Stone says, "Certainly there cannot but be serious doubt as to . . . the extent to which conditions may be imposed on the right of insurance companies to do business within a state . . ." Mr. Justice Jackson says, in the quotation above, "the Court always has considered that if an activity is held to be interstate in character a state may not exclude . . . it." Until this fundamental question is answered, it is impos-

(CONTINUED ON PAGE 24)

## Company Executives Hobbs Calls Study Auto Problem Hearing on Casualty Rates in Kansas

### Features That Are Contributing to High Loss Ratio

Casualty companies see for the time being no solution for the continually upward rise in automobile loss rates, especially property damage and collision and then close behind personal liability. The present schedule of rates was based on the idea that gas rationing would be observed scrupulously and that the maximum speed would be 35 miles an hour. When there was a liberalization of the use of gas in the east it started an onward march of more accidents and the price is now being paid. That was the signal evidently for a greener light all through the country.

Gas rationing is not observed to the extent that was predicted. There is a big black market, so called, for gas coupons. There are as many automobiles on the streets as ever. The 35 miles an hour speed is not being observed. The result is that there are more accidents.

Where an automobile has to be repaired the cost is much higher since it is difficult to get parts and labor is paid more. Injuries are resulting in more money being paid to victims.

It is very difficult for office underwriters to pass on risks at this time owing to the abnormal conditions. Owners are acting abnormally. It is hard to get at facts concerning them as automobile drivers. The outlook therefore is far from being rosy.

### Burt to Edit "Journal" of Executives Association

Hardy Burt, director of publicity of the Association of Casualty & Surety Executives, will succeed Kenilworth H. Mathus as editor of the "Casualty & Surety Journal," official publication of the association, Sept. 1, when the editorial and public information activities of the organization will be combined in a centralized agency. Mr. Mathus goes with "Popular Science Monthly" as book editor. Ralph R. Wolfe, editorial assistant on the "Journal," will become assistant editor.

Mr. Mathus has edited the "Journal" since it was started in May, 1940. For 10 years he was editor of Con-Mu Topics and in charge of sales promotion for Connecticut Mutual Life. He was a member of the Sales Research Bureau for several years.

Mr. Burt went with the association as director of publicity in June this year. He has served as public relations consultant and writer with the U.S. Chamber of Commerce, Automobile Manufacturers Association, Associated General Contractors of America and American Road Builders Association.

Mr. Wolfe joined the association in 1936 as a member of the legislative department and became a member of the "Journal" staff this year. He will have charge of all production details and will do considerable writing. He was formerly on the "Spectator" and the "Insurance Field." Previously he was chief editorial writer of the Hartford "Courant."

### Sims for Simplification

Commissioner Sims of West Virginia announces that he has called upon the casualty companies to simplify their automobile liability and property damage contract. He contends that during the 10 years since 1933 when uniform standards were adopted many changes and liberalizations have been made and that the policies have become complex "and beyond the comprehension of the average person."

## American Bar Program Features Are Presented

### U. S. Supreme Court Decision Will Be Treated in Several Talks at Chicago

The program of the insurance section of the American Bar Association at the Medinah Club, Chicago, Sept. 11-13, has been completed. Topics dealing with the U. S. Supreme Court decision in the S.E.U.A. case and its results are featured.

On Monday at 2 p.m. N. P. Parkinson, Illinois insurance director, will give the address of welcome, and Chase Smith, Kemper companies, past chairman of the section, will respond. Judge Joseph C. Hutcheson of the U. S. circuit court of appeals, Houston, will discuss "Facts and Law in Insurance Cases." Frank E. Spain of Birmingham, Ala., chairman, will preside.

### General Committee Reports

General committee reports consist of those by F. B. Baylor, Lincoln, Neb., on automobile insurance law; W. Percy McDonald, Memphis, aviation; Hugh D. Combs, U. S. F. & G., casualty; J. Kemp Bartlett, Jr., U. S. F. & G., fidelity and surety; F. W. Davies, Birmingham, Ala., fire insurance; O. D. Brundidge, Dallas, health and accident; George E. Beechwood, Philadelphia, marine and inland marine; Wilbur E. Benoy, Columbus, O., law practice and procedure; Harry T. Poore, Knoxville, Tenn., life insurance law; Franklin J. Marryott, Liberty Mutual, regulation of insurance companies; Clarence W. Heyl, Peoria, Ill., workmen's compensation and employers liability; Mark E. Archer, Indianapolis, insurance affairs of members of the armed forces; George E. Allen, Washington, D. C., federal rules and regulations affecting insurance.

The committee reports will be given during the convention as time permits.

Tuesday will feature round tables on most of the subjects covered by committee reports and with the chairmen of those committees presiding. At the session on automobile insurance law, Capt. Robert E. Harbison, judge advocate's department, Washington, will discuss "Claims by and Against the Federal Government"; Fletcher B. Coleman, State Farm Mutual Automobile, "The Representation of Casualty Insurance Companies in Wartime"; and Hugh N. Johnson, Chicago, "Modern Trends of Financial Responsibility Laws."

At the fire insurance session, M. L. Landis, Van Wert, O., will review the decisions of the past year; Insurance Director Fraizer of Nebraska will discuss "Impact of Recent Decision of the U. S. Supreme Court in the Case of United States vs. South-Eastern Underwriters Association," and Homer H. Berger, Kansas City, attorney for the fire companies in the Missouri rate case, will talk on a subject to be announced.

The A. & H. round table features "Sulpha Drug Poisoning as an Accident—Medical Aspects," by Reginald T. Bander, Los Angeles, and "Validity, Construction and Effects of Provisions in Accident Policy in Relation to Military Service," by John Panchuk, Federal Life & Casualty.

"Second Injury Funds" is the subject of Thomas N. Bartlett, Maryland

(CONTINUED ON PAGE 24)

Commissioner Hobbs of Kansas has called a hearing at his office for the morning of Aug. 21, "for the purpose of inquiring into and determining whether rates are reasonable, fair and equitable" for auto liability, general liability, burglary and theft, fidelity, surety and property damage and collision other than automobile.

Mr. Hobbs states that he has corresponded with the National Bureau of Casualty & Surety Underwriters and the Towner Rating Bureau with reference to rates being charged for these lines. In the latest replies from the bureaus, he states, it is indicated that no relief can be expected. "The department is of the opinion that we are entitled to relief by way of reduction of such rates."

Mr. Hobbs for a number of years has been advocating a casualty rate control law for Kansas and some observers believe that this current agitation may be the preliminary move to develop sentiment for such legislation.

### Policyholder Assessments Are Productive Today

A sidelight on the prosperity of the day is the experience of one of the insurance liquidation bureaus which recently sent out two batches of assessment notices to policyholders. Within just a few days the bureau had received more than \$3,000. Many of the policyholders protested that they had never heard of this particular insurance company but when their memory was refreshed they paid up promptly. Usually these efforts to collect assessments from policyholders yield virtually nothing. The first notices usually are completely ignored by the recipient and if anything is collected it has to be through court action. In these prosperous times, however, exceptional results can be obtained.

### Dallas Hospital Sued Over Oxygen Tent Explosion

DALLAS—The Medical Arts hospital here, the Cary-Schneider Investment Company and Dr. E. H. Cary are defendants in a suit asking for \$45,000 damages because of alleged explosion of an oxygen tent in the hospital, in which Mrs. Dora English, 52, was fatally burned. Negligence on the part of the three defendants is alleged to have caused a bursting of pipes and tubes running oxygen into the tent with a resulting explosion which caused the tent and the patient's bed clothing to catch fire. The Dallas fire marshal's office and the Dallas Fire Prevention Council have received many inquiries about the explosion, which seems to have no precedent, but detailed information is lacking.

Texas courts have previously held charitable institutions not liable for injuries to patients, but it is possible that facts may be found in this case to break the general rule.

### Mexican Riots on Social Insurance

Brief dispatches in the daily papers about demonstrations by workers in Mexico City against what was described as the "national insurance law" led a number of insurance people in this country to wonder what kind of insurance was involved. What the workers were protesting against was the national social security law which went into effect Jan. 1, 1944. They disliked the deduction from their pay envelopes which the law imposed and the lack of immediate benefits in sufficient amount to make the program attractive.

## Tomlins, American Surety Executive, Is Dead

William M. Tomlins, Jr., first vice-president of American Surety and New York Casualty and president of Knickerbocker of the Corroon & Reynolds group, died suddenly at his home at Brooklyn at the age of 66. Although his health had been impaired, he had been attending to his work regularly until the end.

Mr. Tomlins entered the surety business at the age of 15 as a clerk with Lawyers Surety. In 1900 he became an agent for American Bonding and then after a year went with U.S.F. & G. The next year he went with the newly formed Empire State Surety as assistant secretary and within five years was



W. M. TOMLINS, JR.

elected president. After it went out of business he joined American Surety in 1912.

He was one of the outstanding surety underwriters of the nation.

Mr. Tomlins was a trustee of Bushwick Savings Bank of Brooklyn, director of Broadway Eye & Ear Hospital; member of advisory committee Brooklyn branch of Bank of Manhattan & Trust Company; director of Bedford branch, Y.M.C.A., Brooklyn; president Prospect Savings & Loan Association, director of Merchants & Manufacturers Fire, vice-president of Insurance Clerks Mutual Benefit Association. He was also president of Century Broadway Club, president of St. Albans Golf Club and treasurer of St. Marks M. E. Church, Brooklyn.

Mr. Tomlins' connection with fire insurance arose from the fact that as a prominent citizen of Brooklyn he took a leading part in the formation, in 1927, of Brooklyn Fire, of which he was the first president. The company was managed by Corroon & Reynolds. When Knickerbocker of the C. & R. group absorbed Brooklyn in 1931 Mr. Tomlins became Knickerbocker's president and continued in that office until his death. He was also a director.

### Preparing for Coast Offices

H. B. Collamore, executive vice-president of National Fire and United National Indemnity, and T. A. Long, vice-president of the indemnity company, are in California making arrangements for opening offices of the indemnity company in Los Angeles and San Francisco.

Theodore A. Faber, 59, partner in the reinsurance brokerage firm of Samuel Alden Meeks, New York City, died from a heart attack. He had been with the firm more than 10 years and before that was head of the reinsurance department of Niagara Fire.

## Lumbermen's Mutual Casualty Organizes Agents Advisory Board

To coordinate the experience of agents in the field with that of idea men on the central staff, Lumbermen's Mutual Casualty has selected 15 top-ranking agents as members of its agents advisory council.

Agents were selected on the basis of their contributions to an idea contest in connection with Lumbermen's radio program, which features Upton Close in his "Closeups of the News."

The council members have returned from a seven-day lake cruise, where they participated in a series of conferences with Lumbermen's key executives in planning ways and means to increase results during the radio sales contest.

More than 600 agents submitted ideas and suggestions during the contest, and these ideas formed the basis of discussion at the conference. The resulting plan is being distributed to all Lumbermen's agents.

Agents who comprise the advisory council include Bryson Thompson, New Haven; G. A. Tetley, Cleveland; Leon Ashton, Wilmington, Del.; E. H. Deming, Middletown, N. Y.; J. W. Freeman, Salisbury, N. C.; John Chappell, Jr., Richmond, Va.; Paul Jenson, Holliston, Mass.; Sidney Sherwin, Batavia, N. Y.; Walter Stone, Boston; C. M. Westbrook, Charlotte, N. C.; Lee Weingart, Akron; C. W. Baker, Wilson, N. Y.; A. R. Dearborn, Birmingham; Earl Graef, Detroit; Katherine Sullivan, Trenton.

## National Brokers' Group Reelects All Officers

All officers of the National Association of Insurance Brokers were re-elected in a mail vote. They are: President, H. E. Moore, Boston; chairman executive committee, Frank P. Lavin, Chicago; vice-president, H. G. Sawtelle, St. Louis; secretary, Alex Goldberger, Brooklyn; treasurer, E. S. Litchfield, Boston.

Mr. Moore in the past year has made an extensive series of visits to local associations, reporting on problems and urging a strengthening of the National association through greater financial support. As a result the executive committee soon will meet to plan for an enlarged program. Mr. Moore is president of Moore, Olive & Co., Boston, and past president of the local group.

## Mehan N. Y. Manager of Fireman's Fund Indemnity

Edward C. Mehan has been named manager of the New York metropolitan department of Fireman's Fund Indemnity and Western National Indemnity. He has been with Fireman's Fund Indemnity since 1930, and previously was connected with Maryland Casualty and Standard Accident.

### Prudence Reply Due Aug. 18

The time for the reply of Prudence Life of Chicago in the move of Illinois attorney general for a rehearing on petition for dissolution and rehabilitation was extended by Circuit Judge Bolton from Aug. 11 to Aug. 18.

His interest in jazz music got George Malcolm-Smith of the publicity department of Travelers into an argument Aug. 11, which was televised by C. B. S. as one of its "Opinions on Trial" television broadcasts. Mr. Malcolm-Smith faced Eugene O'Neill, Jr., son of the noted playwright and member of the Yale faculty, in a debate on "Resolved that jazz music has a demoralizing effect on the youth of the nation." Mr. Malcolm-Smith has made a hobby of jazz music a number of years and conducts a weekly broadcast, "Gems of American Jazz," from the Travelers station, WTIC of Hartford.

## Sumners Sees No Walter Bill Action Before Election

WASHINGTON—Nothing is likely to be done here along the line of insurance legislation until after the November election, in the opinion of Rep. Sumners, Texas, chairman house judiciary committee. Judge Sumners, who returned from his home only this week, said he did not "have in mind any governmental examination" into the insurance situation when he told the house during consideration of the Walter states rights insurance bill that an "examination" of the matter would be in order.

He indicated he had reference merely to "the confusion by reason of the Supreme Court decision," which he added, "creates a very difficult situation" that calls for consideration.

Sumners evinced great interest in developments during his absence from the national capital, inquiring about the activities of the National Association of Insurance Commissioners' committee on federal legislation, and about conditions in the Senate and its judiciary committee with respect to insurance legislation, whether requests have been received for hearing from life insurance and labor interests, and about the general position of life interests with respect to legislation.

### Ehrmanntraut to Report

NEW YORK—A report on pending and proposed legislation affecting the business will be given by W. R. Ehrmanntraut, American Surety, chairman of a special subcommittee, at the first fall meeting of the Surety Underwriters Association Sept. 7, at the Railroad Machinery Club.

### Big Bond on Marine Air Station

LOS ANGELES—Robert E. McKee of Los Angeles has been awarded the contract for the construction of marine corps air station facilities at El Toro, Cal., at his bid of \$1,265,000. The contract includes construction of two repair shops and a check hanger. American Surety and Glens Falls Indemnity are co-sureties on the bond.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Aug. 14, 1944.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	5.00*	132	136
Aetna Fire ....	10	1.80*	51	53
Aetna Life ....	10	1.40*	34	36
Agricultural ....	25	3.25*	75	78
Amer. Alliance ..	10	1.05*	22½	24
Amer. Cas. ....	10	.60	11½	12½
Amer. Equitable ..	5	1.00	16½	18
Amer. Home ....	10	.60	10½	11½
Amer. (N. J.) ..	2.50	.60	15	16
Amer. Surety ....	25	2.50	56	58
Balt. Amer. ....	2.50	.30*	6½	7
Boston ....	100	21.00*	575	595
Camden Fire ....	5	1.00	20	21
Contl. Cas. ....	5	1.60*	40	42
Contl., N. Y. ....	2.50	2.00*	45½	46½
Fidelity-Phen. ...	2.50	2.20*	49	50
Fire Assn. ....	10	2.50*	62	64
Firemen's (N. Y.)	5	.40	11½	12½
Fireman's Fund ..	10	3.00	90	92
Franklin Fire ..	5	1.00	25	26½
Glens Falls ....	5	1.85*	42½	44½
Globe & Repub. ..	5	.50	8½	9½
Gt. Amer. Fire ..	5	1.20*	28½	29½
Hanover Fire ....	10	1.20	27	28
Hartford Fire ...	10	1.25*	95	97
Home (N. Y.) ...	5	1.20	28	29½
Ins. Co. of N. A. .	10	3.00*	85	87
Maryland Cas. ...	1	.80*	8½	9½
Mass. Bonding ...	12.50	3.50*	67	69
Natl. Cas. ....	10	1.25*	25½	27
Natl. Fire ....	10	2.00	59	61
Natl. Liberty ...	2	.30*	6½	7
Natl. Un. Fire ..	20	5.00*	167	172
New Amst. Cas. .	2	1.00	25½	26½
New Hamp. ....	10	1.80*	45	47
North River ...	2.50	1.00	23	25
Ohio Cas. ....	5	.80	22½	24½
Phoenix, Conn. .	10	3.00*	83	86
Preferred Acci. .	5	1.00*	14½	15½
Prov. Wash. ....	10	1.40*	34	36
St. Paul F. & M.	12.50	2.00*	70	73
Security, Conn. .	10	1.40	35	36½
Sprgrd. F. & M.	25	4.75*	118	122
Standard Acci. .	10	2.50	59	61
Travelers ....	100	16.00	475	485
U. S. F. & G. ...	10	1.50*	37	38½
U. S. Fire ....	4	2.00	48½	50½

\*Includes extras.

## Cal. Approves Group Compensation

LOS ANGELES—Former Commissioner Caminetti's ruling in 1940, based on an opinion rendered by the then Attorney General Earl Warren, now governor, that group workmen's compensation policies were illegal, and prohibiting their issuance, has been rescinded in a circular sent out by the California Inspection Rating Bureau. The circular provides for issuance of these policies under rules which are set forth.

The court of appeals in State Compensation Insurance Fund vs. Industrial Accident Commission ruled the insurance code did not expressly make group workmen's compensation policies unlawful.

The bureau ruled that an organization of employers may obtain insurance as a group when: The membership is a group engaged in a common industry, trade, business or profession and is governed by a board elected by members, or the membership is a combination of associations engaged in a common industry, trade, business or profession, having a central organization composed of member associations, governed by a board elected by members or officers of the respective association, and the association(s) has adopted a definite constitution or by-laws setting forth purposes and conditions of membership.

### Requires Filing of Statement

The group or association shall file with the bureau a statement signed by secretary or other authorized officer showing date of organization and that the group qualifies as above. All members to be included in the group must be certified to the carrier by an authorized association officer, as being eligible and in good standing and the carrier shall have such written certification on file available for bureau inspection. The association shall notify the carrier whenever a member ceases to maintain good standing or discontinue membership, when the insurance must be terminated.

The association(s) shall guarantee in writing payment of earned premium of all members covered under the group.

Each member insured shall be treated as a single, separate risk as respects all rules affecting classifications, rate and reporting of risk experience. Prior approval of the bureau in writing must be secured by the carrier before writing any new or renewal group, and the application to the bureau must contain, in addition to the statement required above, a verification by the carrier and explanation as to the reason or necessity for the grouping.

Existing groups may continue to expiration but no new members may be added unless requirements of the rules are adhered to.

## Aetna Casualty Group's June 30 Statement Figures Shown

The midyear statements of the Aetna Casualty group, filed with the Georgia insurance department, show Aetna Casualty with assets of \$105,839,063 as of June 30, capital \$3 million, surplus \$26,609,011, income for first six months of 1944, \$37,777,139, disbursements, \$23,433,639.

Automobile shows assets, \$37,785,449, capital, \$5 million, surplus, \$11,170,135, income, \$9,789,686 disbursements \$9,480,309. Standard Fire had assets \$7,606,080, capital \$1 million, surplus \$2,402,937, income \$1,585,805, disbursements \$1,450,160.

Aetna Life reported assets \$987,333,610, capital, \$15 million, surplus, \$39,880,093, income, \$109,180,108, disbursements \$75,209,144.

### Examining National Automobile

National Automobile of Los Angeles is being examined by the Texas, Indiana and California departments. Heretofore the company, because of operating only in its home state, was examined by the California department alone.



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THERE HE IS . . . one of the twenty-five millions . . . one of the huge army of good insurance prospects who read The Saturday Evening Post, The American Home and Time magazines, the three publications that carry Employers' Group advertising.

Sitting at home, relaxed . . . with his guard down . . . he sees the effective Employers' Group advertising. He reads about the services of *The Man with the Plan*.

Plan . . . about the importance of seeing a local Employers' agent for planned insurance protection . . . and he begins to think it over.

Yes, Employers' Group magazine advertising . . . combined with our nationwide radio advertising . . . is sales-conditioning millions of prospects for Employers' Group agents. And those agents who follow it up with our coordinated direct mail campaign claim "It pays to be *The Man with the Plan*."

*It Pays to be the Man with the Plan*



## The Employers' Group

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THE EMPLOYERS' FIRE INSURANCE CO.  
AMERICAN EMPLOYERS' INSURANCE CO.

## ACCIDENT

### North American's New Claim Head Is Named

Miss Frances Raiter, who has been associated with the North American Accident head office for 14 years and has been the chief assistant in the claim department for some time, has been made head of the division following the retirement of Mrs. Mary K. Gordon, who had completed 43 years' service with the company.

Miss Raiter got her A.B. degree from the University of Minnesota and her law degree from the University of Michigan. She is admitted to practice law in Illinois and Michigan. She is thoroughly trained in claim work, having been Mrs. Gordon's understudy for some time.

### Physicians Service Starts in Olympia, Wash.

OLYMPIA, WASH. — The Physicians Service Corporation, a stock company organized here to offer low-cost, prepaid medical care and hospitalization has been incorporated by officials of the Washington Medical Association.

Hospitalization for individuals and their families will be offered immediately and it is planned to provide medical care later. At present the 15 local

medical association-sponsored service bureaus provide both medical care and hospitalization to employ groups of five or more.

Dr. Wilmot D. Read, Tacoma, is president of Physicians Service, which will have a board of 21 physicians. Capital is being paid in by the service bureaus and hundreds of members of the state medical association.

In explaining the purpose of the new company, Dr. V. W. Spickard, Seattle, president Washington State Medical Association, said: "We know that we can do a better job than tax-supported agencies and bureaus in extending prepaid medical care and hospitalization at a much lower cost to the subscribers, and retain the all-important item—the doctor-patient relationship. Under our plan the subscriber has the choice of any recognized hospital and a panel of nearly 1,000 doctors, ranging from the general practitioner to some of the west's most excellent specialists."

### Hinchey Is Brink Supervisor

Earl B. Brink of Detroit, resident vice-president and state manager of Mutual Benefit Health & Accident and United Benefit Life, has appointed P. G. Hinchey agency supervisor. Mr. Hinchey started with Guardian Life in Omaha in 1929, then was with John Hancock for three years and National Life & Accident for two years there before joining the home office of Mutual Benefit and United three years ago.

The Brink agency will have a three-

day Great Lakes cruise, leaving Detroit Sept. 13. Guests will include several home office officials and state managers from 10 states.

### Maryland Unit Is Winner

The Maryland department of New Amsterdam Casualty in charge of William A. Weech captured the trophy in the accident and health production tournament of that company. This was the third year of the tournament. During the first two years the Philadelphia branch in charge of E. Walter Helm, Jr., was the winner.

### Milwaukee Surgical Care Plan

MILWAUKEE—A plan of prepaid surgical and obstetrical care, available on a group basis, has been announced by the Medical Society of Milwaukee County. A 10 months waiting period is required for obstetrical care. There is a limit of \$150 for any one or related series of surgical procedures. Monthly payments provided under the contract are: Individual, 90 cents; husband and wife, without maternity care, \$1.75; family, \$2.50. In most cases it is expected payments will be collected through payroll deductions.

### Premiums Are Doubled

The intermediate division of Continental Casualty more than doubled its premium collections for the first six months of 1944 as compared to the first six months of 1943.

The division is in charge of Armand Sommer, who established it and built it up from scratch. Recently it started a monthly house organ called "Intermediate Preview."

### Regional Meeting in Dallas

The Health & Accident Underwriters Conference held a regional meeting in Dallas, Friday. Sessions were con-

ducted by Harold R. Gordon, executive secretary of the conference.

About 50 agents of North American Life & Casualty took a group examination given by the Minnesota department Aug. 14.

## COMPENSATION

### Virginia Case to Determine Status of Insular Dependents

RICHMOND—Whether a resident of an insular possession of the United States can be awarded legally more than \$1,000 under the Virginia workmen's compensation act is involved in a case now before the supreme court of appeals of Virginia. Juan Francisco Cruz, a resident of Puerto Rico, was fatally injured while working in Hampton, Va., and the industrial commission awarded his father, Juan Cruz Molina, also a Puerto Rico resident, \$3,552 compensation. In appealing, the Alphonse Custodis Chimney Construction Company and U.S.F.&G., the insurance carrier, contended that under the law the award could not exceed \$1,000. They conceded that under the Jones act citizenship was bestowed on certain residents of the island but insisted that under the Virginia law the employee's dependent must not only be a citizen but must also reside in the United States at the time of the accident to be entitled to more than \$1,000 compensation.

### Anticipate Material Payroll Reductions

Casualty companies writing workmen's compensation insurance find that there is already quite a decrease in payrolls following the renegotiation of contracts where concerns had taken on work intended for the war effort. In



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### Head Prop

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some cases the change in contracts is quite drastic and a number of employees are let out. Therefore the insurance companies look for quite a material reduction in payrolls the last part of the year.

### Hearing in Florida on Proposed 6.7% Increase

TALLAHASSEE, FLA.—A large number of employers and company representatives attended a hearing here called by Commissioner Larson to discuss a proposed increase of 6.7% in compensation rates. It would represent an increase in premiums of perhaps \$500,000, based on last year's figures. The request for the higher rates comes from the National Council on Compensation Insurance. Commissioner Larson so far has shown little sympathy for rate increases. Last year he changed a proposed increase of 6.2% to a decrease on then prevailing schedules of 5.5%. The commissioner ordered an adjustment, as of July 1, in rates to take care of extra wages for overtime.

### Many Accidents Due to Breaking Into Old Workings

Because of recurring accidents resulting from breaking into old workings in coal and metal mines, the federal bureau of mines has issued a report describing precautionary measures to be observed when operations approach these idle regions which frequently contain impounded water or dangerous gases, or both.

Despite state laws and regulations containing prescribed safety measures, many mine employees are killed because of the failure to exercise correct judgment when developing workings toward the danger areas.

Some accidents occur when it is known that old workings are nearby and accurate maps are available but supervision is inadequate or no precautionary measures are taken, and then there are accidents in which old workings are not known to be near because mine maps are inaccurate or maps are not consulted.

Many accidents are reported from sudden inrushes of water, outbursts of explosive gases, or the filling of active workings with air deficient in oxygen or high in carbon dioxide or both high in carbon dioxide and deficient in oxygen, the bureau report states.

## COMPANIES

### St. Paul Casualty Revived

ST. PAUL—Through the efforts of Martin H. Imm, St. Paul Casualty has been rehabilitated and this week again began writing automobile coverage after being in receivership two years. New capital was interested in the company, which Mr. Imm said has paid all claims in full. It has been relicensed by the Minnesota department and the receivership has been dismissed.

Several LaCrosse, Wis., men have bought into the company. Tentative officers are: Jonathan Bunker, LaCrosse, president; Martin Imm, St. Paul, executive vice-president; Elmer Lowe, La

Crosse, secretary-treasurer. Headquarters will continue in St. Paul.

The company was organized June 17, 1941, and went into voluntary receivership May 15, 1942.

### Report on La Salle Mutual

The Illinois department has issued its report on examination of LaSalle Mutual Casualty, 89 South LaSalle street, Chicago, as of March 31, 1944. Its assets are \$43,775 and surplus \$16,856. It was organized in 1927 as Merchants Mutual Plate Glass. S. B. Orner is

president; F. J. Zurek, first vice-president; C. L. Osgood, second vice-president; Alvin Lynn, secretary. It writes 50-50 coverage on plate glass and deviates 10% from the rate manual. All business is secured from brokers. The total income from Jan. 1 to time of examination was \$9,732; disbursements, \$11,310. Premium reserve is \$23,532.

### Urge Local Auto Financing

Robert C. Pittelkow, president of the Milwaukee County Board of Casualty & Surety Underwriters, has sent a message

to members and solicitors, urging immediate action in bringing to the attention of customers and the public at large that they need not finance their cars with dealer financing companies and need not accept the insurance which those companies control; that their local bank is in a position and is ready to handle the purchase financing and that they can obtain all the insurance required from their own local agent.

Stanley Lord, an experienced airplane pilot, spoke on "Aviation, Today and To-



## "Must I sign this preposterous document?"

As a young man Elizur Wright perceived that Life Insurance would be a great benefit to individuals and to the community if the operation of unsound companies could be prevented. For many years he fought for adoption of his Legal Reserve Bill by the General Assembly of Massachusetts. When at last in 1858 the Bill was adopted he took it to the Governor's office, barred the door, and persisted in his arguments until the Governor gave his approval, and signed the bill, making it a law.

Since he was the only man who understood the new law, he was appointed one of the Insurance Commissioners of Massachusetts, and administered this law brilliantly for eight years.

Hailed as the "Father of Life Insurance," Wright was also the father of insurance supervision; for he was the first government official who had the power, the knowledge and the will to prevent the operation of insolvent companies. Effective State supervision of insurance spread rapidly from Massachusetts to other states and became applicable not merely to Life Insurance, but to Fire and Marine Insurance, and later to the new branch known as Casualty Insurance.

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tomorrow" before the Casualty Insurance Adjusters Association of Southern California.

## CHANGES

### Am. Auto. Assoc. N. Y. Operations Are Combined

Plans have been perfected for the consolidation of administrative, production and service operations of the New York offices of American Automobile and Associated Indemnity. Ray S. Choate, who has been vice-president of American Auto at New York for many years, is manager of the combined organization. Howard Forwood continues as underwriting manager of Associated Indemnity in that city.

Ralph Inglis, who has been resident vice-president of the eastern department of Associated Indemnity since 1937, is returning to the head office in San Francisco to become vice-president in charge of production. Prior to going to New York he was superintendent of the home office underwriting department of Associated. He started with that company soon after graduating from the University of Washington in 1928.

The New York branch office is located at 99 John street.

### Rogers' Aviation Accident Manager of Parker & Co.

Roy A. Rogers, who has been with Continental Casualty at the home office for about five years, has gone with Parker & Co., aviation and general insurance firm at Philadelphia, as manager of the aviation accident division. He will pay particular attention to the foreign travel coverage of the firm, which handled Continental Casualty policies.

Mr. Rogers first was associated with the automobile department at Continental Casualty but about a year ago began to help develop aviation coverages for the company.

### Burns Casualty Manager

E. C. Burns has been named casualty department manager of New Amsterdam Casualty's St. Louis branch. He has been with the office since it was opened, and for some months has been casualty underwriter. He now replaces Lt. L. A. Buck of the navy, who is on leave of absence.

### McKune to San Francisco

Frank McKune, who has been resident engineer of Fidelity & Casualty in the state of Washington for several years, has been transferred to Pacific department headquarters in San Francisco as supervising engineer. He succeeds James H. Mason, who was recently commissioned a lieutenant commander in the coast guard.

### Sadler Returns from Army

William A. Sadler, who has been in the army since January, has now been released and has resumed his position as assistant superintendent of the bond department of Century Indemnity at Chicago. He had been connected with that office for 15 years prior to entering the army.

### Phillips Forms General Agency

V. Lance Phillips has resigned as field supervisor for American Surety and New York Casualty at Washington, D. C., to establish a general agency in the American building at Richmond. He had been connected with American Surety 14 years and prior to that time was connected with Travelers. The general agency will have facilities for tak-

ing care of surety, casualty and fire lines in Virginia and North Carolina.

### Walters Succeeds Bingham

Roy E. Bingham, claim adjuster of Maryland Casualty in Seattle for 30 years, has been retired and is succeeded by Sydney W. Walters, transferred from Portland. Mr. Walters has been with Maryland since 1920, handling claims in Wisconsin, Montana, California and Oregon.

### Additional Duties for Andrews

Harry C. Andrews, special agent of the Employers group covering the coast territory about San Francisco, has been given additional duties as manager of the service office at Oakland.

### Drake Joins Pacific Employers

Preston A. Drake, formerly with Liberty Mutual, has been appointed superintendent of interstate compensation claims of Pacific Employers at the home office.

### Poupore to Home Indemnity

James H. Poupore, for seven years an adjuster of Fire Companies Adjustment Bureau in Phoenix, Ariz., has gone with Home Indemnity as an adjuster in Los Angeles.

Stanley W. Schellenger, advertising manager of Buckeye Union Casualty, has been elected a trustee of the Columbus Advertising Club.

### Port Chicago Reconstruction Bond

LOS ANGELES—Barrett & Hilp, San Francisco, have been awarded the contract for reconstructing the Port Chicago Naval Ammunition Depot, recently destroyed by fire and explosion, at their bid of \$5,296,848, by the Navy Department. Fidelity & Deposit, through its San Francisco office, will execute the bond on the job, Construction has started already.

The same company has awarded the contract for removal of 300 prefabricated buildings from the Santa Ana, Cal., air base to the Port Chicago depot, and 20 of them already have been moved to the new location.

### Talk on Comprehensive Liability

George Wilson, special agent of Maryland Casualty, spoke before the Associated Agents Committee of Southern California on "Comprehensive Personal Liability." R. E. Masterson, special agent Fireman's Fund Indemnity spoke on the same subject before the Hollywood Agents Association.

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## PERSONALS

C. F. Demsey, supervising adjuster of Travelers' John street office in New York, and a past president of the New York Accident & Health Club, has been ill at his home in Garden City since an operation last May. Mr. Demsey returned to his desk after a long illness in March, but was obliged to go on the sick list again after a short time.

L. J. Paxson of Johnstown, Pa., was honored Aug. 13 on the Upton Close radio program, "Close-Ups of the News." He is a representative of Lumbermen's Mutual Casualty, sponsor of the program.

Frank J. Stich, assistant to the vice-president of Continental Casualty in charge of accident and health claims, is in South Shore hospital, Chicago. He is getting along fine and expects to be back at the office in a week or so.

## DEATHS

## Thomas P. Kennedy, Veteran Casualty Man, Is Dead

Thomas P. Kennedy, 65, prominent in the casualty field for many years, who last April resigned as Washington manager of General Accident because of ill health, died suddenly in Philadelphia.

He was born in Hartford and entered insurance under J. S. Rowe, secretary of Aetna Life, being identified with its head office for some years. In 1910 he was transferred by Aetna to San Francisco to develop agency and brokerage connections. In 1913, he went with General Accident in San Francisco, in charge of underwriting of all Pacific Coast business. Later he was at the head office of General Accident, then in New York, and in 1915 was appointed its Pacific Coast manager.

After service in the navy in the first world war he rejoined the General Accident, representing it in the southern states and afterwards in Philadelphia and suburban territory. He left the company in 1924 to become associated with M. S. Bowman & Co., and two years later formed the partnership of Marshall & Kennedy, managers in Philadelphia for New York Indemnity. The firm built up a large business and in 1928 Mr. Kennedy sold out his interest to Mr. Marshall.

In 1930 he was appointed manager of the eastern Pennsylvania department of Car & General, and in 1933 again became associated with General Accident in the burglary and plate glass departments. He became manager of the Washington branch in 1937.

Marine Pfc. J. J. Hannigan, formerly a home office employe of Standard Accident, was killed in action on Saipan.

## MAN WANTED

Man capable of handling home office supervision of automobile bodily injury and property damage claims. State age, family status, education, experience and salary required. Excellent opportunity. Address W-60, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Ohio special agent to represent fire and casualty group in central Ohio territory. Permanent with excellent post war opportunities. Agency plant well established with nice office in Columbus. Give full details in letter which will be held confidential. Company employes informed of this advertisement. Address W-70, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED

By a Casualty Company, located in Columbus, Ohio, experienced casualty man for assistant underwriter in General Liability-Burglary Department. Give full information, references and salary requirements in first letter. Address W-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## SURETY

## Contract Bureau Status Eyed from Anti-Trust Angle

WASHINGTON—If surety companies are refraining from giving information about unsatisfactory and unreliable contractors to the Bureau of Contract

Information for fear of running afoul of the anti-trust laws under the Supreme Court decision, W. D. Dean, bureau manager, says he has seen no evidence of such.

Mr. Dean says his bureau is still receiving data from surety companies; that sometimes it comes "in spurts" and sometimes not so much, there being no uniformity about it, but rather depending upon development of unsatisfactory situations in the contracting field. Mr. Dean admits that he has speculated whether some surety companies might stop sending his bureau certain information, either from joint action or on

individual initiative, and wondered whether some might regard exchange of information about contractors as unlawful, but declares he has heard or seen nothing to indicate it would be.

He points out that the construction contractors recommended formation of the Bureau of Contract Information and recommended that the companies report to the bureau. While withholding of such information by sureties might hamper the work of his bureau somewhat, Dean says it does not have to rely solely upon data from surety companies. It could continue to get information about unreliable or unsatisfactory contractors,

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he says, from business connections and interests with which contractors deal.

Mr. Dean is still optimistic about the government loosening up its restrictions on construction during the current year, but admits that if such loosening up does not occur before cold weather, construction operations would be held back. Saying that "contractors are hungry for work," Mr. Dean points to the recent attempts of Donald Nelson, WPB chairman, to release construction materials and forecasts further attempts along that line.

However, he fears the manpower situation does not permit resumption of much construction work, for the time being, but says "contractors hope that by the end of the year there will be construction in considerable volume; they hope for a gradually accelerating increase in the volume of construction."

One of the hopeful signs is seen by Mr. Dean in a Congressional bill for government grants of \$500 million annually for several years to the states for emergency highway work. Other construction possibilities are seen in pending legislation proposing many millions for reclamation work, river and harbor improvement and other public works.

If the manpower bottleneck can be broken before it is too late, Mr. Dean looks forward confidently to resumption of construction on a considerable scale later on this year.

## American Bar Program Features

(CONTINUED FROM PAGE 17)

Casualty, at the round table on workmen's compensation, and "Human Rehabilitation," that of Dr. Harold A. Vonachen, medical director Caterpillar Tractor Co., Peoria, Ill.

Allen Wight, Dallas, will treat "The Assignment of Claims Act of 1940," in the session on fidelity and surety, and Leavenworth Colby, Department of Jus-

tice, Washington, the liability of surety under lost instrument bonds running to the U. S. with respect to lost government checks and veterans' adjusted service compensation certificates.

"The Relation of Marine Insurance to Our National Economy," will be discussed at the marine round table by Guerra Everett, foreign law adviser, Bureau of Foreign & Domestic Commerce, Washington, and "Recent Aspects of Marine Insurance," by John C. Crawley, New York.

Mr. McDonald's round table on aviation insurance law has talks on "The Warsaw Convention as Construed by Our Courts," by Arnold W. Knauth, associate editor U. S. Aviation Reports, New York, with John R. Peterson, Continental Casualty, discussion leader; on "Post War Aviation Horizons," by Ralph Damon, vice-president American Air Lines, New York, with R. M. Caverly, New York, the discussion leader; and on "The Aviation Insurance Policy," by George W. Orr, director casualty claims, U. S. Aviation Underwriters, with Ambrose Kelly, American Mutual Reinsurance, now in the navy, scheduled as discussion leader.

Mary M. Coate, Indianapolis, will deal with "The Insurance Responses to a Shifting Caveat," in the casualty session, and Robert D. Bartlett, U. S. F. & G., with "The Liability of Municipalities for Negligence."

Kenneth Teasdale, St. Louis, will review unusual decisions at the life round table; B. M. Anderson, Connecticut General Life, "Federal Taxation as It Applies to Life Insurance Cases," and Irvin Bendiner, New York Life, Philadelphia, "Pension Trusts."

The round table will run through Wednesday morning. The annual dinner will be held Tuesday evening.

Wednesday afternoon Edwin W. Patterson, professor of law at Columbia University, will speak on "The Future of State Supervision of Insurance" and James M. Guiber, Clarksburg, W. Va., "United States vs. Southeastern Underwriters Association." Election and adjournment will follow.

## Casualty Carriers List Problems

(CONTINUED FROM PAGE 17)

sible to design a program of state regulation because the very basis of the control and sanction of the state is uncertain.

(b) May the state now collect from foreign insurance companies the premium tax?

The solution of this question may depend upon the answer to the preceding question, namely, whether a state may withhold from a foreign insurer the privilege of engaging in interstate commerce. Since the premium tax is generally regarded as a tax for the privilege

of engaging in business in a state, its validity would seem to depend in large measure upon whether the foreign insurance company must now seek and whether the state may now either grant or refuse the privilege. In the above quotations Mr. Chief Justice Stone says, "Certainly there cannot but be serious doubt as to the validity of state taxes which may now be thought to discriminate against the interstate commerce," and Mr. Justice Jackson says, "... if the court always has considered that an activity is held to be interstate in character a state may not impose a license tax on the privilege of carrying it on within the state."

(c) May a state effectually regulate foreign insurance companies doing business within the state even though the control and sanction of the state are not based on the right of the state to grant or withhold the privilege of doing such business?

The answer to this question might be found in an extended and comparative study of the history, scope, and effectiveness of existing state blue sky laws. The United States Supreme Court has sustained the power of the state to regulate the sale within the state of securities by foreign dealers or issuers. This regulation takes the form of imposing qualifications for dealers and examination and certification of the securities offered for sale and is based upon the right of the state under its police power to inspect articles in order to protect its citizens from fraud. This control over individual transactions is different in kind and in degree from control based upon the grant by the state of the privilege of doing business within the state. Could such blue sky law regulation be made applicable to insurance and would such regulation prove effective? The answer to this question requires further study.

(d) May the state now regulate premium rates?

This would seem to depend on whether the sale and delivery of the policy in a state by a foreign insurer is an integral part of the interstate transaction or whether it is an activity of purely local concern exclusively within the jurisdiction of the state. The majority opinion in the S.E.U.A. case apparently adopts the interstate transaction concept when Mr. Justice Black states that the court will "... examine the entire transaction, of which that contract is but a part, in order to determine whether there may be a chain of events which becomes interstate commerce." An analogous problem has arisen with respect to the power of a state to prescribe the rates to be charged local consumers of gas or electricity conveyed to the regulating state from another state. The United States Supreme Court sustains the state regulation only on the theory that the gas ceases to be an article of interstate commerce when its pressure is reduced and it passes into local pipes, thus likening the division of gas to the breaking of an original package after shipment in interstate commerce, in order that its contents may be sold at retail. This theory, which alone saves state regulation of utility rates, is hardly applicable to insurance contracts. Nor does the intervention of a local agent in the interstate transaction convert it into one purely intrastate. In *Binderup vs. Pathe Exchange*, 263 U. S. 291, the Supreme Court stated the rule thus:

"... The intermediate delivery of the agency did not end and was not intended to end the movement of the commodity. It was merely halted as a convenient step in the progress of getting it to its final destination. The general rule is that where transportation has acquired an interstate character it continues at least until the load reaches the point where the parties originally intended

that the movement should finally end." The *Binderup* case is more analogous to insurance transactions than the case of *Parker vs. Brown*, 317 U. S. 341, which involved regulations before the articles entered interstate commerce. The Supreme Court said in *Parker vs. Brown*, "The regulation is thus applied to transactions wholly intrastate before the raisins are ready for shipment in interstate commerce."

(e) Will affirmative and express action by Congress approving state regulation validate such regulation otherwise invalid?

This question cannot be answered without an intensive study of the acts of Congress passed to aid the enforcement of state liquor laws, such as the Wilson act, the Webb-Kenyon act and, in the case of goods made by prison labor, the Hawes-Cooper act. Against the repeated protestations by the Supreme Court that Congress cannot delegate the power to regulate commerce to the states is the realistic view that the Supreme Court will often sustain a burdensome state regulation if the regulation has Congressional approval. Added weight is given to this realism by occasional statements from Supreme Court Justices that Congress alone should determine the policy of commerce regulation. For example, Mr. Justice Black, dissenting in *Gwin, White & Prince vs. Hanford*, 305 U. S. 434, expressed his conviction:

"... I would return to the rule that—except for state acts designed to impose discriminatory burdens on interstate commerce because it is interstate—Congress alone must determine how far (interstate commerce) shall be free and untrammelled, how far it shall be burdened by duties and imposts, and how far it shall be prohibited."

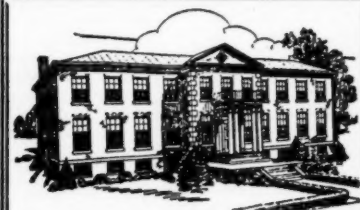
## DEATHS

(CONTINUED FROM PAGE 15)

ner for many years was a tennis player having been western doubles and singles champion. In later years he took up golf and was a member of Sunset Ridge Club. He also was a member of the Union League Club.

G. C. Cundiff, farm department manager of Home, has returned to Chicago from Upton, Ky., where he was called by the death of Mrs. Cundiff's mother, Mrs. G. R. Turner.

J. Henry Courades, 78, broker with the Lawton-Byrne-Bruner agency, St. Louis, died there following an emergency operation.



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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Complete Minn. Agents' Program

ST. PAUL—A big attendance is expected at the annual meeting of the Minnesota Association of Insurance Agents Aug. 24-25. The mass examination of agents the morning of Aug. 25 is the main drawing card although an exceptionally good program otherwise has been prepared.

Senator Ball of Minnesota, Fred A. Moreton, president of the National Association of Insurance Agents, and Louis Hawley, vice-president of Newhouse & Sayre, Chicago, are the speakers.

Several hundred agents, it is anticipated, will report for the examination to be given by Commissioner Johnson and his assistants. Scores of agents who customarily never attend a state association meeting have indicated their intention to attend this year.

The executive committee will meet Aug. 23. On Aug. 24 committees will meet to consider the turkey market, the financed automobile situation, rural agent's problems, and legislation.

President Armand Harris will open the sessions Thursday afternoon. The proposed amendment to the constitution of the association will be presented for action.

Mr. Hawley will discuss "Local Aviation Prospects."

At the annual dinner that evening President Leroy D. Engberg of the St. Paul Exchange will preside, and Commissioner Johnson will be toastmaster. Certificates will be awarded to 13 men and women who completed the educational course of the National association by George W. Scott, N.A.I.A. educational director. Senator Ball will talk on "America and the Peace."

Following insurance department examinations Friday there will be a luncheon given by Frank S. Rogers, general agent of Homeland, and Mr. Moreton will speak.

L. D. Engberg, St. Paul, is chairman of the nominating committee and George Teeson, Alexandria, heads the resolutions committee.

Wallace Rodgers, public relations director of the N.A.I.A., will attend.

### Large Turnout at Kansas City Forum on New Forms

Despite the 100 degree temperature, more than 300 turned out for the discussion of the new standard fire policy, new dwelling and contents form, revised extended coverage endorsement

and rule changes sponsored by the Insurance Agents Association of Kansas City last week. In addition to agents and their employees, there was a large representation of company men and adjusters and representatives of the Casualty & Surety Underwriters Association and the Associated Industries of Missouri.

J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, talked on the new policy and on the new form and extended coverage endorsement, with each talk followed by a question session. Fred Calvin, fire underwriter R. B. Jones & Sons, discussed the new farm rules and forms and P. H. Kaylor, superintendent Missouri Inspection Bureau, answered questions on the rule and rate changes. Among other items, there was considerable interest in the proper definition of one and three-family dwellings and in the fact that the priorities exclusion clause does not apply to rent insurance under the new dwelling form.

The executive committee of the Kansas Association of Insurance Agents met in Kansas City at the same time and attended the meeting. Mr. O'Connor will conduct a forum on developments in coverages at the meeting of this association in Wichita in October and this gave the committee an opportunity to discuss plans with him.

### Hold Ohio Annual Meeting in Columbus Oct. 23-24

The Ohio Association of Insurance Agents will hold its annual convention in Columbus Oct. 23-24.

The trustees, finance committee and ways and means committee of the Ohio association will be guests of E. R. Randall, a trustee of the association, at Greenville Aug. 23.

### No Change in Structure of Bloomington Agency

Inasmuch as the agency of Freese & Jefferson of Bloomington, Ill., is incorporated its financial ownership will not be disturbed by the death of one of the chief factors, Ralph S. Freese. Paul Jefferson, his partner, will continue as head of the organization. Mr. Freese's widow, Elizabeth E. Freese, is entering the office temporarily and will remain in its service until her son, Ensign Donald M. Freese, returns after the war. It is planned for him to take his father's place and carry on in the agency. Mr. Jefferson has a son now a freshman in the high school who is very

much business-minded and is interested in insurance. It is hoped that in due season he will enter the organization. With two young men coming into work its future is assured.

### Joliet Agents' Outing Aug. 31

The Joliet (Ill.) Insurance Agents Association will hold its annual field day at Big Run Golf Course Aug. 31. Members of Illinois Blue Goose will attend to hold the qualifying round of the northern Illinois division of their annual golf tournament. All insurance men are invited to attend. Golfers will start to tee off at noon. There will be a dinner. Reservations may be made through Phelps Hotchkiss of Munroe Brothers, 128 Scott street, Joliet, Ill. Tickets are \$4.25.

### \$100,000 Illinois Fire

GREENFIELD, ILL.—A total of \$100,000 insurance loss resulted from a fire that swept through a block on the south side of the main square in the business district here on Aug. 10. The cause of the blaze has not been determined. The buildings destroyed included a hardware store, general store, chain grocery, a drug store and restaurant.

### Name Boynton for Trustee

Herbert S. Boynton, Toledo, was nominated for trustee of the sixth district of the Ohio Association of Insurance Agents at a meeting in Toledo. He will succeed Raymond Wahn of Defiance.

John C. Tubbs, Fred W. Smith agency, Toledo, was elected president of the sixth district organization; Earl B.

Andres, Bryan, vice-president, and Fred Potts, Gibsonburg, reelected secretary.

### Savage Special Agent in Ohio

Frank E. Savage has been appointed special agent in southwestern Ohio by National Mutual and Celina Mutual Casualty. Mr. Savage was formerly a local agent at Milford, O., and will make his headquarters there at 661 Ross avenue.

### Rejoins Texas Department

Fred Wortham has returned to the Texas fire insurance division as license supervisor, the position he held before leaving about a year ago. Albert Bogness, who succeeded him, has been transferred to the rating department.

### NEWS BRIEFS

Eddie Forbes has opened the Texas Insurance Claim Service at 1610 Kirby building, Dallas. He has been in the adjusting business there 20 years, first with Trinity Universal and more recently with Republic.

The St. Louis court of Cats Meow will hold its first fall initiation Sept. 13.

A. L. Kirkpatrick, insurance editor of the Chicago "Journal of Commerce," will address the Detroit Association of Insurance Agents Aug. 31.

The Indianapolis Insurance Board's outing will be held Aug. 24 at the Indianapolis Country Club.

About 50 members of the Kansas City Association of Insurance Women attended its picnic Saturday.

Earl Pulver, local agent and mayor of Anamosa, Ia., has purchased the Lloyd Soper agency there.

William Hufford, sheriff of Warren county, O., has purchased the O. K. Brown agency in Lebanon.

## IN THE SOUTHERN STATES

### Georgia Agents Tackle Problems

ALBANY, GA.—The Georgia Association of Insurance Agents at its annual meeting here last week passed several resolutions. One calls for enactment of legislation requiring applicants for agents' licenses to have sufficient knowledge of the business to serve the public adequately and according to the standards in the code of ethics of the National association.

Another urged passage of an adequate financial responsibility law for automobile drivers, and urged the association to take immediate steps to get business and civic interests in the state behind

a movement to secure such a law. The agents also called for a law setting up a distinct insurance department for the state, so that officials of the department may be able to devote their entire efforts to regulation of the insurance business.

### H. C. Arnall's Report

Although H. C. Arnall, Newnan, national state director, was unable to attend the convention because of illness in his family, his report was submitted. Mr. Arnall is chairman of the rural agents' committee of the National association, and asked agents to suggest a better name for that group so that its purposes would be better understood. He stated the committee is organized not only for agents living and operating

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BOSTON  
ST. LOUIS  
WASHINGTON  
LONDON

in farm territories but also for small agents and agents in small towns, small communities and townships. The committee is now preparing a pamphlet for national distribution which contains sales tips and other ideas.

In his report Mr. Arnall said a plan has been proposed in Georgia, calling for the purchase of farms by groups of seven Georgians, each of whom will put up \$1,000. It is a challenge to agents to provide insurance for such projects, but present rates are too high, he stated. He suggested some kind of clearing house of information so that agents might know what can be done and how best to do it.

Mr. Arnall regretted that the platform of the Democratic party did not include an insurance plank as it did in 1940 and as is included in the Republican platform.

## New N. C. Code Commission Holds First Meeting

RALEIGH, N. C.—The 15-member commission recently appointed by Governor Broughton to recommend legislation for regulating the insurance business held its first meeting here and elected Dr. Malcolm McDermott of Duke University law school, Durham, as vice-chairman, and Commissioner Hodges of Raleigh as secretary. Dean R. H. Wettach of University of North Carolina law school, Chapel Hill, was designated chairman of the commission by Gov. Broughton.

Meeting with the commission, Governor Broughton told the group "many ambiguities and obscurities in our law deny the state's insurance commission the right to exercise any control over rates or over the insurance business in general." He said studies by the commission should include regulation, the rate and tax questions. He urged these studies be completed well in advance of the next session of the North Carolina legislature in order that suggested legislation might be submitted. The legislature is to meet in January, 1945.

Declaring it would be a "great calamity for the insurance business to be controlled by federal regulation because the states always have had control," Governor Broughton said, however, "nothing is contemplated" to injure the insurance business.

The commission as it is constituted is regarded here as one that will be entirely unprejudiced. It represents all types of the insurance business, business men with no insurance affiliations, agriculture, two men who will be in the 1945 legislature.

It was agreed at the meeting that nothing drastic should be done but that any change in the insurance laws should be for the best interests of the business and the general public. The present laws were written in 1899 and few changes have been made since then. In some instances amendments to the laws have been ambiguous, leaving the insurance commissioner in doubt as to proper procedure. There are very few laws relating to the casualty business.

## Young with Vanston & Co.

J. Hayden Young, who has been manager of the fire department of the Texas general agency, has joined Barney Vanston & Co. as special agent for Houston and south Texas. He started in the business with the local agency of his brother, R. L. Young, at Rotan, Tex., and in 1916 became connected with Cravens & Page at Houston. Later he traveled in Texas with that general agency. He was with a fire insurance reciprocal for a time, then for 10 years was with Larsen & Co.

## Farmers' Cooperative Is Active in Texas

The "Texas Insuror" states that it is reported that the Farmers Cooperative Insurance Company, which has been writing only cooperative gins, intends to start writing fire policies on property

belonging to members of the cooperative gin associations. Last year its premiums were \$64,533 and losses \$51,372. Expense was \$15,874, loss ratio 80%, expense ratio 25%, combined 105%.

In 1937, 76 farmers' cooperative cotton gin associations in Texas established the Cooperative Gin Service & Supply Company, then organized the Farmers Cooperative Insurance Company. The Cooperative Gin Service & Supply Company obtained its finances from the Houston Bank for Cooperatives, an agency of the federal government which operates under the farm credit act.

## Tennessee Women Organize

CHATTANOOGA, TENN.—The Tennessee Federation of Insurance Women was organized here with representatives of the Chattanooga, Knoxville and Nashville associations in attendance. Officers elected are: President, Miss Marie Irvine, Nashville; vice-presidents, Miss Reba Land, Knoxville, and Miss Lois Dean, Chattanooga; corresponding secretary, Miss Frances Fisher, Nashville; recording secretary, Mrs. Ann Henderson, Chattanooga; treasurer, Miss Grace Sharp, Chattanooga. Miss Irvin and Miss Land are presidents of their local associations.

Commissioner McCormack, R. T. Cawthon, secretary-manager Tennessee Association of Insurance Agents, and Cecil Woods, president of Volunteer State Life, spoke.

## Committee on West's Successor

Marvin L. Wilson, president of the Virginia Association of Insurance Agents, has appointed a committee headed by Warren F. Curtis, Richmond, to select a successor to Oscar H. West as manager of that organization. Mr. West resigned recently to become manager of the Washington office of the N.A.I.A. Until his successor is chosen, the office of the state association in Richmond will be in charge of Virginia Snyder, hitherto Mr. West's secretary.

## Two Join Anderson & Newell

Roy Atwood and Carl Pfeiffer have joined Anderson & Newell, general agents, Little Rock. Mr. Atwood has been an inspector of the Arkansas Fire Prevention Bureau for eight years and has been in insurance 21 years. He will become special agent. Mr. Pfeiffer has been with another casualty general agency for several years.

## Okl. City Agencies Merge

OKLAHOMA CITY—The L. I. Baker general agency is being merged with the M. L. Sumner agency effective Sept. 1.

Mr. Sumner entered insurance in 1919 immediately after being released from military service in the first world war and established his agency in 1931. Mr. Baker opened a local agency in 1912, which was expanded into a general agency within a very few years.

The Insurance Women's Club of Oklahoma City held a picnic and swimming party at Spring Lake. Regular meetings will be resumed Sept. 13.

E. O. Hutcheson has bought the J. P. Keller agency, Bay City, Tex., from Mrs. Keller, who had operated it since her husband's death.

## Rename Leavenworth Officers

Officers of the Leavenworth (Kan.) Insurance Board have been reelected: President, Eugene D. Kelly; vice-president, Ed D. Reilly, and secretary-treasurer, Wayne Fluharty.

## Jettinghoff to Wichita

Frank Jettinghoff, assistant manager of the St. Louis service office of North America, has been transferred to Wichita and will have headquarters with State Agent R. B. Latham there.

## Revise P.O.W. Canteen Bond Rates

NEW YORK—The Towner Rating Bureau has reduced the rates for bonds covering positions in prisoner of war

stockade canteens to \$1 per \$1,000 annually, where commissioned officers occupy the positions. For enlisted men and civilian employees, the rate remains at \$2.50. In each case, the annual minimum premium of \$5 and the annual earned minimum of \$2.50 remains.

## Wichita Officers Nominated

Officers nominated by the Wichita Association of Insurance Agents, to be formally elected at the Aug. 24 meeting, are: President, Dorth Coombs, of Anderson-Coombs Agency; vice-president, William C. Cohen; secretary-treasurer, Henry V. Schott, Smith, Stone & Snyder (for reelection). Mr. Coombs, who will succeed C. J. Slawson of Dulaney, Johnston & Priest, has been chairman of the executive committee this year.

## Confer on Kentucky Plans

LOUISVILLE—About 25 officers, directors, committee and district chairmen of the Kentucky Association of Insurance Agents met here to discuss and outline association plans for the next ten months. Norman A. Chrisman, Pikeville, president, presided. Insurance education, forms, membership and legislation were discussed, especially the annual membership campaign and the fall fire prevention program.

Fire Marshal Clyde Smith and his newly named assistant, J. Paul Ward, were present, and discussed fire prevention work and the forthcoming Fire Prevention Week.

## Ontario Meeting Tentatively Set

TORONTO—The annual meeting of the Ontario Fire & Casualty Insurance Agents' Association probably will be held in the Royal York Hotel, Toronto, Oct. 4-6. A record attendance is expected. There is special interest in the agents' qualification question and the possibility of a fire insurance rate problem as a result of the recent decision of North America to reduce dwelling rates in Ontario 10%.

## Navy Using Foam Extinguisher

WASHINGTON—The Navy department's bureau of ships has adopted a new liquid foam fire extinguisher, with a special nozzle attachment which promises to play an important part in post-war industrial fire protection. The improved foam is described as mechanical rather than chemical in action. It flows like liquid and reduces the hazard of re-ignition and flash back. The mechanical mixing of 6% foaming agent with 94% water occurs at the nozzle.

The new product and its equipment are now standard on aircraft carriers. The bureau of ships did pioneer work in developing liquid foam at its New York navy yard laboratory, where a ship fire fighters school is maintained.

Senator K. Gray of Louisville, for several years agency superintendent of Yorkshire and Seaboard Fire & Marine, who has been under the weather for several weeks, has been in a hospital for observation and diagnosis.

Franklin A. Morley, senior partner of the insurance firm of Morley, Watson & Baldwin, Hartford, died Tuesday at his home. He and his associates were credited with developing the general agency idea in Hartford. He had been

in the insurance business more than 55 years.

Mr. Morley joined Connecticut Fire as a clerk in 1888, and later was an adjuster for Orient, spending five months in San Francisco adjusting the losses of the great fire there.

After being associated with two other insurance firms, Mr. Morley organized the firm which he headed in 1927. At first it wrote only local insurance, but its field is now state wide.

A. C. Weaver, 64, service manager in Florida for Phoenix-London group, died of a heart attack in St. Petersburg. He was a claim adjuster of the Lackawanna railroad for many years before joining Phoenix Indemnity in 1926.

Ernest C. Lloyd, 68, pioneer Walla Walla, Wash., local agent, died. The agency is being continued by his son and partner, Robert C. Lloyd.

Lt. Robert E. Carroll has left the navy insurance division to enter training for sea duty at Miami. He has been working in the aeronautical and ordnance section of the division. His successor has not yet been named.

## Convention Dates

Aug. 17, Oregon agents, Portland Multnomah Hotel.

Aug. 20-21, Idaho agents, Boise, Owyhee Hotel.

Aug. 22-24, Blue Goose grand nest, Denver, Cosmopolitan Hotel.

Aug. 24-25, Minnesota Agents, St. Paul, St. Paul Hotel.

Aug. 28-29, Utah agents, Salt Lake City, Hotel Utah.

Aug. 28-29, Insurance commissioners executive committee, St. Louis, Hotel Statler.

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## PACIFIC COAST AND MOUNTAIN

### Washington Adopts New Broad Dwelling and Contents Form

SEATTLE—The new dwelling and contents form went into effect in Washington Aug. 14. The form is similar to that recommended for general adoption by the Insurance Executives Association, while a similar form, No. 548-W, was published for unprotected territories.

Terms of the new forms automatically apply to all policies now in force, Commissioner Sullivan announced, saying that he has asked all companies to agree to interpret existing policies as containing all the broadened coverages.

#### Dwelling and Household Extensions

The new form contains the usual extensions of 10% of the dwelling coverage on outbuildings and on rental value, 10% of the contents insurance to cover property anywhere in the United States and Canada and \$250 automatic reinstatement. The new extended coverage endorsement is also put into effect and is printed on the back of the protected form as an optional item. It must still be added separately if used with the unprotected form.

Under the unprotected form, the incubator and brooder prohibition warranty has been revised to permit operation of approved devices without a special permit. The rules on brooders and incubators have been modified, eliminating all charges for approved devices. A revised owner's occupancy warranty is included in the form.

### Program Announced for Utah Meeting

The program for the annual meeting of the Utah Association of Insurance Agents is announced. It will be held at Salt Lake City, Aug. 28-29. W. J. Blackburn, Ogden, vice-president, is chairman of the program committee, and is slated for the presidency.

The meeting opens with a luncheon Aug. 28, with C. C. Eubank, Ogden, as toastmaster. Mayor Glade of Salt Lake City will speak, with response by R. D. Callister, Salt Lake City, president state association. President F. B. Goeltz of the Salt Lake association will present a fire prevention certificate to Salt Lake City. That afternoon the golf tournament will be held at the Forest Dale

Country Club, with bridge and entertainment for the ladies. A cocktail party will be held at 7:30, followed by a buffet supper and informal dancing.

The program for Tuesday morning Aug. 29, includes: "We Are All of the Rank and File," Fred A. Moreton, Salt Lake City, president National Association of Insurance Agents; "New and Broader Forms," John Henry Martin, San Francisco, manager Standard Forms Bureau; "Public Relations," W. Stanley Pearce, San Francisco, secretary Fireman's Fund; "Aviation Insurance and Its Future," H. H. Rowlands, special agent Aero Insurance Underwriters; "Why the Casualty and Fire Agent Doesn't Sell Accident Insurance—and Why He Should," Cyrus C. Washburn, San Francisco, vice-president Preferred Accident.

An executive business meeting will be held that afternoon with reports of the president; national state director, J. A. Ottenheimer, Salt Lake City; treasurer, Arnold E. Burgener, Salt Lake City, and various committees, and election of officers.

There will be a reception that evening, sponsored by company representatives, general agents and adjusters, and the annual banquet and dinner dance.

### Plans Are Completed for Idaho Agents' Meeting

The program for the annual meeting of the Idaho Association of Insurance Agents to be held at the Owyhee hotel, Boise, Aug. 20-21 is announced. The executive committee will meet Aug. 20, with R. S. Campbell, Boise, chairman in charge. The next day will be devoted to the general meeting, which will include reports by President A. V. Larter, Idaho Falls; Secretary Leon Weeks, Boise; State Director R. S. Campbell, A. H. Koster, vice-president of the southeastern region; Wanek Stein, central; Lawrence Huff, northern.

In the afternoon State Director Campbell will speak and introduce W. Ray Thomas of Pittsburgh, vice-president of National Association of Insurance Agents, who will give the chief address.

H. M. Cullimore, state director of insurance, will talk on "The Business of Insurance in Idaho." There will be a general discussion on rating problems, rates and rules led by R. C. Stevenson, manager Idaho Surveying & Rating Bureau. H. H. Lipps of Lewiston will discuss the future of the agency business. The American Legion will be holding its annual meeting in Boise the same time and therefore the agents are asked to make their reservations at once.

#### Start Cal. Regional Meetings

The second series of regional meetings of the California Association of Insurance Agents will open at Bakersfield Aug. 28. Neal Harris of Oakland, vice-president of the association, will preside there and at all meetings in the San Joaquin valley and south coast territory. C. W. Carpenter of Petaluma, state national director, will preside at meetings in northern California, with Ralph E. Bach of San Diego, president, in charge of meetings in southern California.

#### Wenatchee Agents Elect

The Wenatchee (Wash.) Association of Insurance Agents has elected D. J. Kenaston president. C. H. Cook is vice-president and Glair Warren reelected secretary-treasurer.

#### Carkeek Is Spokane Speaker

Stephen Carkeek, special agent of Aetna Fire, analyzed the newly-adopted extended coverage form and dwelling

policy at a meeting of the Spokane Insurance Association. He also discussed recent changes in the farm form.

#### NEWS BRIEFS

Lt. H. E. Timby, San Francisco broker, who has been thirty months in the army, 16 months overseas in Africa, has returned to San Francisco and will resume his civilian status Sept. 2. During his absence his business has been managed by Mrs. Helen Anderson. Mr. Timby comes from an old insurance family. His father was a veteran general agent in Salt Lake City and his brother, Fred, was manager in San Francisco of Preferred Accident up to the time of his death.

J. K. Woolley, manager Washington Surveying & Rating Bureau, became a grandfather with the birth of a son to his daughter and her husband, Lt. (j.g.) W. D. Wallace.

Jack E. Rankin, for the past year with Fire Companies Adjustment Bureau in Phoenix, Ariz., has opened an office as an independent adjuster there.

W. J. Sproul, local agent at Canon City, Col., has been seriously ill for four months. Mrs. Burns is in charge of the agency.

The Insurance Women of Phoenix, Ariz., held a dinner meeting Aug. 15 for discussion of the 1943 New York standard fire policy.

Mrs. Mabel Sansreget has purchased the Bellingham, Wash., agency of James Gaul, who died recently.

## EASTERN STATES ACTIVITIES

### Patton Buffalo Manager of the F.C.A.B.

Fire Companies Adjustment Bureau has advanced C. C. Patton from assistant manager to manager of the Buffalo branch, succeeding J. B. Tally, who died recently. He also will have jurisdiction over the sub-offices at Niagara Falls and Jamestown.

Mr. Patton, a native of West Virginia, studied engineering at West Virginia University, and after a brief ven-

ture in mining and surveying started his insurance career in the local agency business at Moundsville, W. Va. He joined the Sanborn Map Company in 1906 and for 15 years serviced that business throughout the middle western territory.

In 1921 he joined Underwriters Adjusting as staff adjuster at Fort Wayne, Ind., and in 1924 was made Omaha branch manager. He joined General Adjustment Bureau, predecessor of the F.C.A.B., in 1930 at Buffalo. He has had extensive adjustment experience and

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### Circus Ordinance Proposed

HARTFORD—The five officials of Ringling Brothers & Barnum & Bailey circus charged with manslaughter in the death of 167 persons in the fire here July 6 were bound over to superior court by Police Court Judge Yellin.

Meanwhile, the Hartford board of aldermen has under consideration a proposed ordinance regulating canvas tent performances, which would require a minimum of four exits, with at least one for each 1,000 persons. These would be 25 feet wide and 10 feet high, plainly marked and unobstructed at all times. The ordinance provides also that the canvas be flame-proofed and that a blowtorch test must be applied by the fire marshal. All these provisions would be binding at all performances where 50 or more persons were gathered under one tent.

Alderman Keough, who submitted the proposal, also urged that the aldermen recommend federal legislation regulating circuses.

As a follow-up to the disaster, Edward J. Hickey, state police commissioner and fire marshal, is conducting an investigation of motion picture theaters, and has already ordered four of them closed because of "conditions which make their

use as places of public assembly hazardous."

### NEWS BRIEFS

F. G. Donnelly, partner in Donnelly Brothers, brokerage firm of Newark, has been named chairman of the ration board there. He is associated with the Newark branch of United States Life.

The annual meeting of the Rhode Island Association of Insurance Agents will be held at the Crown Hotel, Providence, Oct. 23.

J. F. Thompson of Wellsburg, W. Va., secretary of the city water board, has purchased the agency of Miss Cora B. Magee.

## MARINE

### Institute Cargo Clauses Make for Convenience

The set of cargo clauses which the American Institute of Marine Underwriters has just issued consist of clauses used heretofore separately or in combination and do not contain any radical changes. Getting them up in four sets for easy insertion in a policy is regarded as a convenience and simplification over the old method.

The sets, B-1, B-2, B-3, and B-4, are

prepared in such a way that a banker or shipper can indicate which set he would like or select individual clauses in the sets. In B-1 the 1938 F. C. & S. clause is used. This is the one that follows British practice and is still used for British and Canadian business. B-2 is the same set of clauses plus the marine extension clauses. B-3 is the same set except that the 1943 F. C. & S. clause, which is more restrictive than the 1938 issue, is used. B-4 is the same as B-3 with the addition of the marine extension clauses.

### Open Los Angeles Branch

Talbot, Bird & Co., marine underwriters, are opening a branch office in Los Angeles under the management of R. A. Kanzee, for several years manager of the marine office of Boston there. Mr. Kanzee received his early training under Harry W. Browne, manager in San Francisco in charge of Pacific Coast operations, who recently was named a vice-president of Talbot, Bird & Co.

## MOTOR

### Clarify Cal. Situation on Auto Dealers' Insurance

LOS ANGELES — Commissioner Garrison has called attention to certain portions of the ruling governing the writing of insurance in conjunction with the sale or financing of motor vehicles, which provides that either the motor vehicle dealer must be licensed or the insurance must be personally written by another person duly licensed.

He says that apparently many regularly licensed insurance producers have felt they could accept the business of this type from an unlicensed motor vehicle dealer if they did not pay that dealer any commission. He said this

impression is erroneous and emphasized that the agent or broker personally must handle the insurance transaction.

Where the motor vehicle dealer is licensed as an agent and he places the insurance through another agent or broker, care should be taken that the business is placed in a company which has appointed the dealer as its agent.

### Endorsement for Writing Coast Guard Business

The National Automobile Underwriters Association has advised members of an endorsement to be used for insuring motor vehicle equipment of Coast Guard ship's service stores at land bases in the continental United States.

The endorsement provides coverage on all automobiles for which insured is liable under rental or lease agreements and on insured's equity in encumbered automobiles. No advance or deposit premium is required. Earned premium is to be computed monthly by insured and remitted with the monthly statement. The company waives its right of action against the U. S. under the subrogation clause.

### Coverage in One Group

Each ship's service stores are to be covered by one group of companies, casualty and fire, whether running mates or not, in order that they may have their insurance dealings with one place. Arrangements are made so that insured can pay the monthly premium for all coverages with one check.

An annual rate of \$3 per \$100 reported value for combined comprehensive and \$50 deductible collision has been suggested. The New York department has accepted the endorsement and the rates indicated. In other states companies interested will make their own filings.

The endorsement and arrangements for writing the business are similar to those set up for other service facilities.

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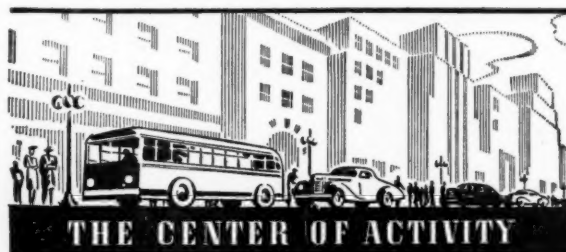
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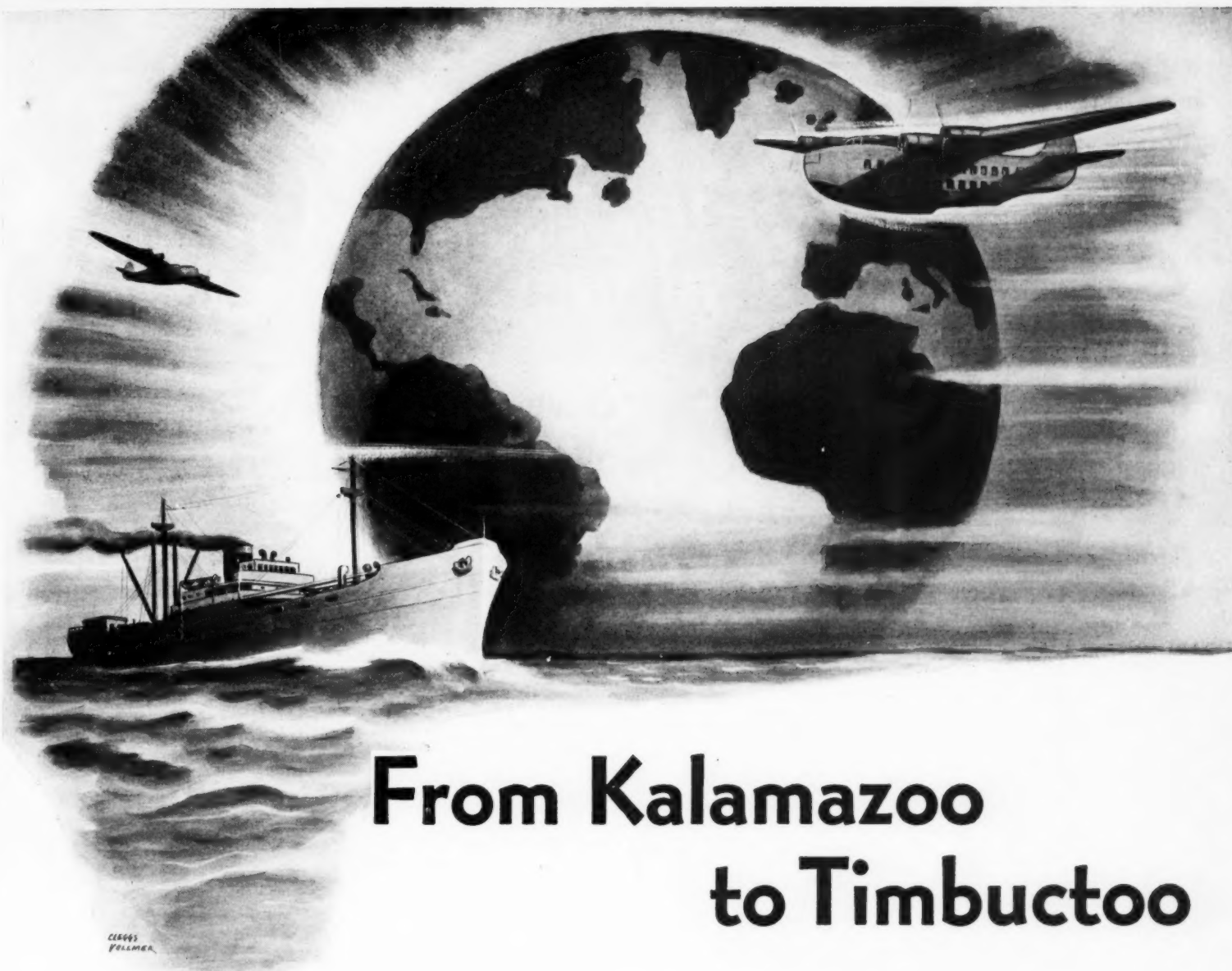
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## FMC HIGH-PRESSURE FOG EFFECTIVELY SMOTHERS FLAME



### Kent County, Michigan, Fire Department Makes Remarkable Record

**201 FIRE RUNS—PROPERTY SAVED, \$226,985.00**

The first report of the Kent County Fire Department shows how good the FMC Fog Fire Fighter really is. And—it proves that a rural, volunteer fire organization can be operated on an efficient basis.

The Kent County organization was established by a special act of the Legislature and organized with the help of Extension Service. Surveys were made. Meetings were held. And hundreds of volunteer firemen responded.

Then—five FMC High-Pressure Fog Fire Fighters were purchased from the John Bean Mfg. Co.

Look at the Record! 201 Rural Runs! Property on

Fire Saved—\$226,985! Total losses 'way below rural average—only 11!

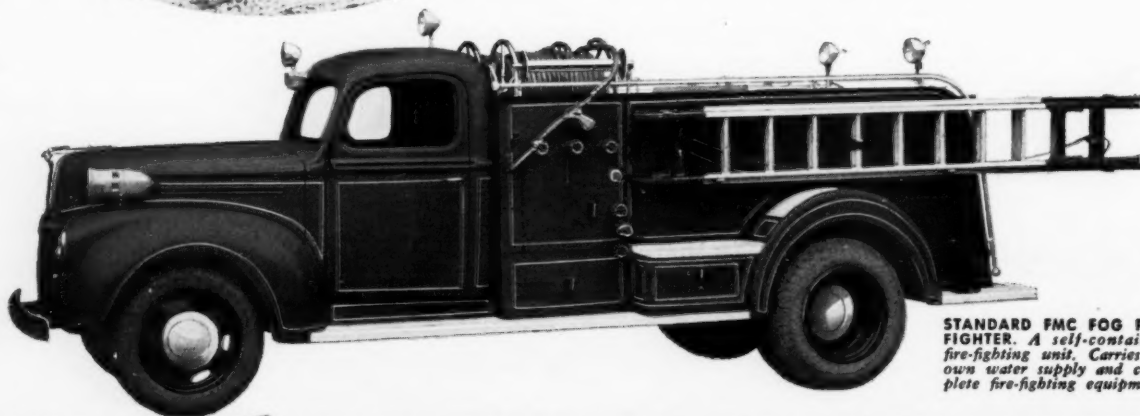
#### FIGHT YOUR FIRES THIS MODERN WAY

Fires can be put out faster and with less water with FMC High-Pressure Fog. Why? Because the high pressure gives you a combination of finely-atomized water and high velocity—just what you need to *blast, cool and smother* flame.

Investigate! Get the facts about this new and revolutionary fire-fighting technique. Right now—the Armed Forces are taking most of the production of FMC High-Pressure Fog Fire Fighters. But—you should be ready to modernize the moment civilian needs can be met. Start planning—now!



This farm house is typical of the rural structures to be found in Kent County. Many are located far away from adequate water supplies—far away from Low-Pressure Pumps. As the FMC High-Pressure Fog Fire Fighter travels fast and carries its own water supply, it knocks down a fire in a very few minutes.



**STANDARD FMC FOG FIRE FIGHTER.** A self-contained fire-fighting unit. Carries its own water supply and complete fire-fighting equipment.

## FMC *Original* HIGH-PRESSURE FOG FIRE FIGHTER

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